

DLC FY2013 Performance Review

George Griffin, Director
February 19, 2014

CountyStat Principles

- **Require Data Driven Performance**
- **Promote Strategic Governance**
- **Increase Government Transparency**
- **Foster a Culture of Accountability**



Meeting Goals

- **Review Status of Existing Follow-Ups**
- **Evaluate FY13 Performance**
- **Provide In-Depth Analysis of Survey Results**
- **Monitor Leave and Overtime Use**

Desired Outcomes

- **Improve DLC's Overall Performance**
- **Improve DLC's Customer Service**
- **Monitor and Reduce the Department's Overtime Usage Where Possible**



Agenda

- **Department Overview**
- **Overview of FY13 Performance**
 - Review of Headline Measure Performance
 - Review of Responsive and Sustainable Leadership Performance
- **Annual Sales Growth: An In-Depth Look**
- **DLC Overtime Use & Trends**
- **Leave Use and Workforce Availability Among Warehouse Employees**
- **Survey Results: An In-Depth Look**
 - Retail Customer Satisfaction Survey
 - Wholesale Customer Satisfaction Survey
- **Departmental Challenge: Transition to ERP**
- **Wrap-Up**



Department Overview: DLC

Follow-ups

Original Meeting Date	Due Date	Item Description	Status
2/27/2013		Install GPS on delivery trucks to help with strategic planning in its routes and maximize efficiency (time, fuel, etc.)	Complete
10/23/2013	12/31/2013	DLC will work with DOT to understand what, if any, risk management practices/strategies are transferrable	In Progress
10/23/2013	11/15/2013	Devise strategy to specifically address your department's top two injury categories with the goal of proactively reducing them	In Progress
2/10/2012	10/10/2013	CountyStat will work with DLC to evaluate leasing options in lieu of purchasing the delivery fleet	In Progress
2/10/2012	10/10/2012	DLC will seek professional assistance to evaluate e-marketing methods and other strategies to modernize marketing and improve customer communications	In Progress
10/25/2012	10/24/2012	Benchmark measurements against available national or major trade association data	In Progress



Historical Budget and Staffing Overview

Budget	FY11	FY12	FY13	FY14
DLC General Fund Approved	\$42,520,100	\$46,953,280	\$50,696,632	\$55,324,556
DLC Total as Percent of Total MCG Operating	2.8%	2.9%	2.9%	3.0%

Work Year/FTE	FY11	FY12	FY13	FY14
DLC General Fund Approved	312.90	323.00	324.02*	338.82
DLC Total as Percent of Total MCG Operating	3.5%	3.6%	3.5%	3.6%

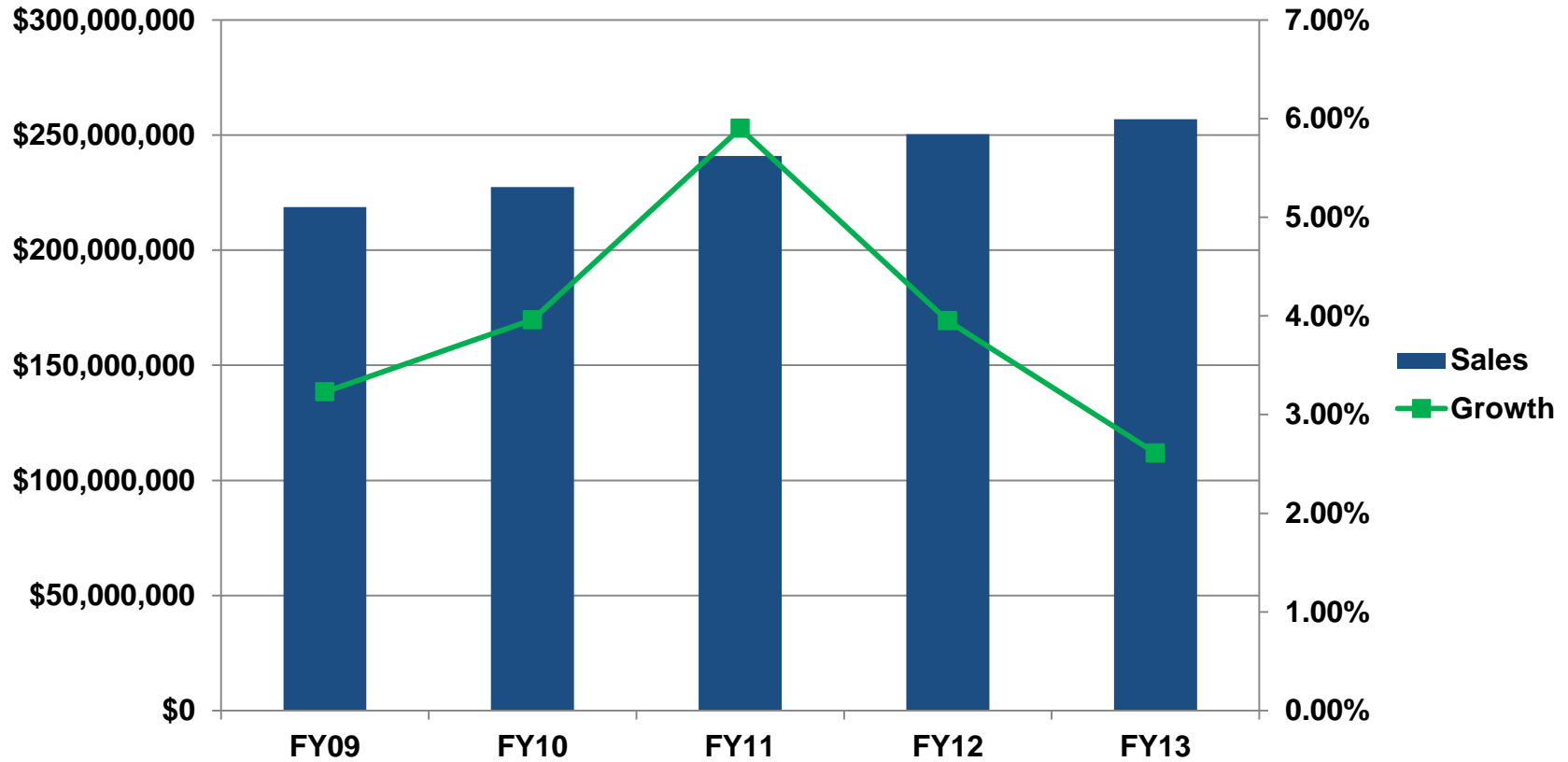
*Calculation switched from Work Years to FTEs in FY2013 Budget

DLC's budget increased in FY13 and FY14, and its share of the total MCG operating budget increased by approximately 0.1%.

In FY13 and FY14, DLC's approved FTEs have increased both in total and as a percentage of the County's total workforce.



DLC Sales and Growth



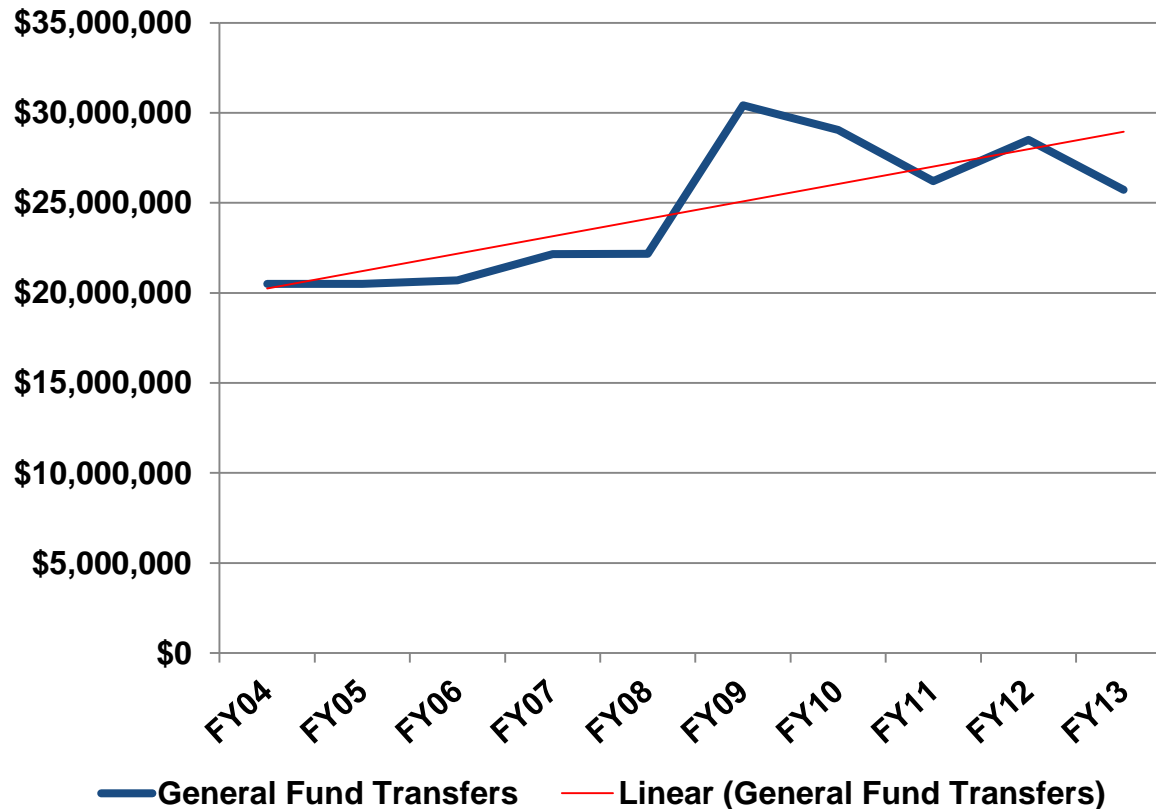
DLC sales continue to rise, but at a declining rate.



Source: DLC Annual Report

DLC Performance
Review

DLC General Fund Transfers FY04 – FY13



FY	Transfer	Cumulative Transfer
2013	\$25,729,463	\$245,913,315
2012	\$28,503,717	\$220,183,852
2011	\$26,206,170	\$191,680,135
2010	\$29,043,280	\$165,473,965
2009	\$30,410,060	\$136,430,685
2008	\$22,168,275	\$106,020,625
2007	\$22,149,050	\$83,852,350
2006	\$20,698,760	\$61,703,300
2005	\$20,503,510	\$41,004,540
2004	\$20,501,030	\$20,504,030

The trend of General Fund transfers is up overall, but is in decline since FY09.



Source: DLC Annual Report

Overview of FY2013 Performance

Headline Measure 1: Annual Growth in DLC Retail and Wholesale Sales

Factors contributing to current performance:

- High level of customer service satisfaction in retail stores and wholesale delivery operations
- Fair pricing and competitive sales
- Number of stores to serve the public

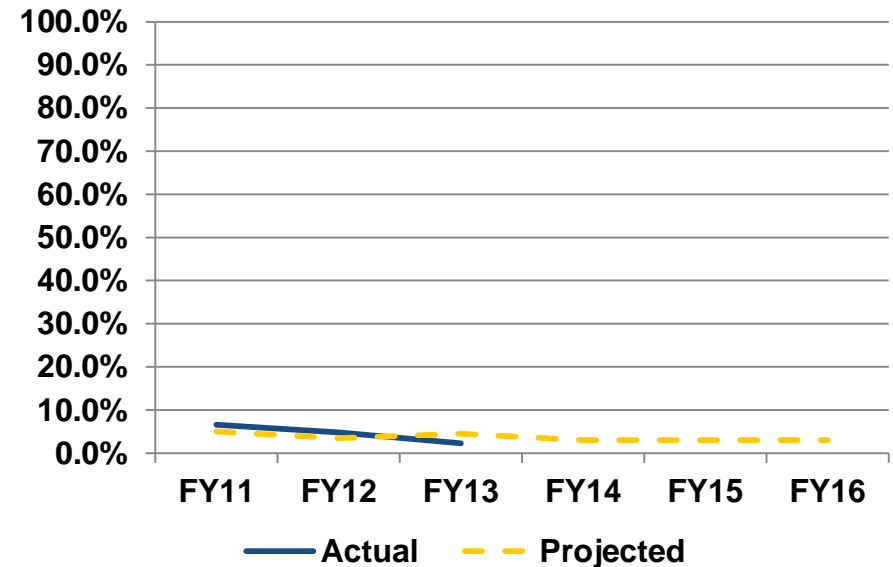
Factors restricting improvement:

- Overall national trend indicating flattening consumption
- Limited advertising strategy that is a reflection of the County's role in this business operation

Performance improvement plan:

- In FY13, the department moved the Montgomery Village store to Goshen Plaza and is preparing for two new stores to open in the second quarter of FY14

Annual Growth



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	6.6%	4.8%	2.3%	--	--	--
Projection	5.0%	3.5%	4.5%	3.0%	3.0%	3.0%

Performance in this area continues to decline.



Headline Measure 2: Gross Profit Margin of DLC Retail and Wholesale Operations

Factors contributing to current performance:

- Solid product selection; Inventory control; Competitive pricing; Knowledgeable, service-oriented staff; Web based and print advertisements

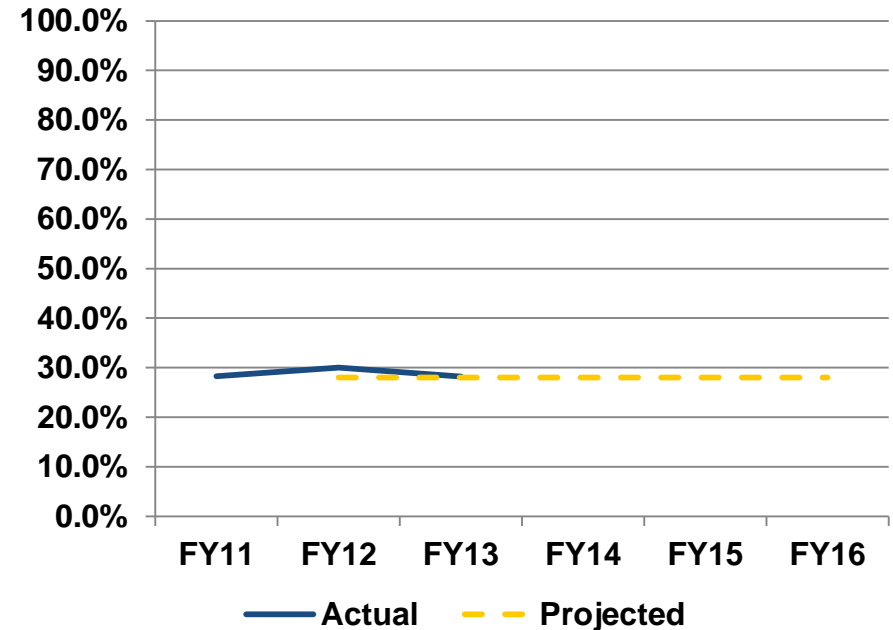
Factors restricting improvement:

- Negotiated compensatory expenses (65% of operating costs)
- Lease escalation clauses
- Growth of utility and other operating costs

Performance improvement plan:

- Because markups and sale prices are standardized, DLC gets a standardized output. This measure ensures that we are on track.

Gross Profit Margin



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	28.3%	30.0%	28.2%	--	--	--
Projection	--	28.0%	28.0%	28.0%	28.0%	28.0%

Performance in this area remains satisfactory.



Headline Measure 3: Retail Customer Satisfaction Rating Based on DLC Customer Survey Results (1-4 Scale)

Factors contributing to current performance:

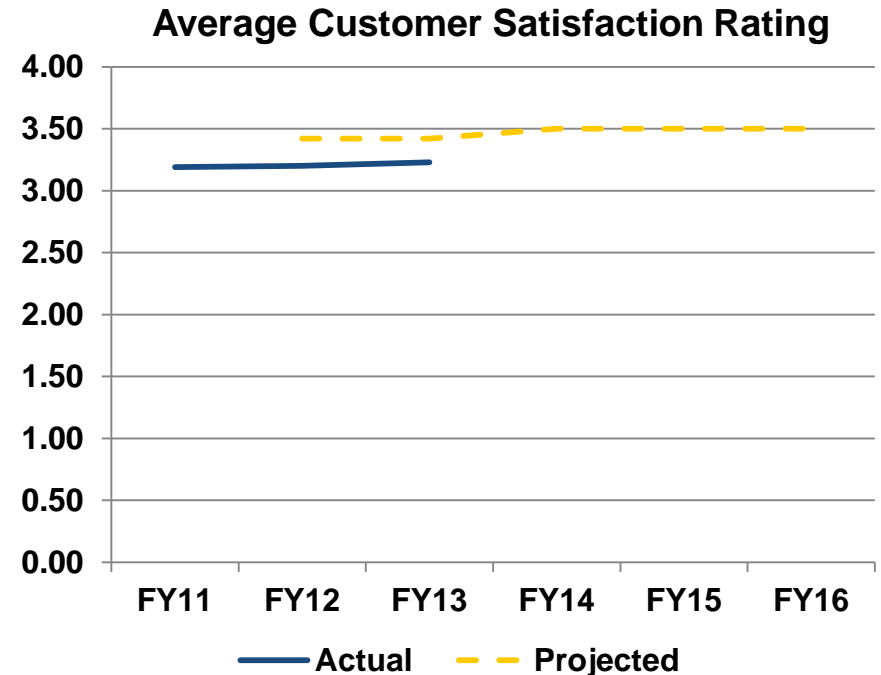
- Adequate product knowledge and customer service training for employees
- Comprehensive product choice
- Fair prices, competitive sales
- Safe, attractive stores
- Philosophical view of the County's role in beverage alcohol sales

Factors restricting improvement:

- Number of retail store locations
- Philosophical view of the County's role in beverage alcohol sales

Performance improvement plan:

- Product management committee continues to bring in new products
- Retail operations works in conjunction with the purchasing section to obtain limited-release allocated products for customers who are interested in specialty products.



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	3.19	3.20	3.23	--	--	--
Projection	--	3.42	3.42	3.5	3.5	3.5

Performance in this area remains satisfactory.



Headline Measure 4: Wholesale Customer Satisfaction

Rating Based on the DLC Customer Survey Results (1-4 Scale)

Factors contributing to current performance:

- Product is available for sale
- Orders are shipped accurately and on time
- Delivery staff is training in customer service
- Philosophical view of the County's role in beverage alcohol sales

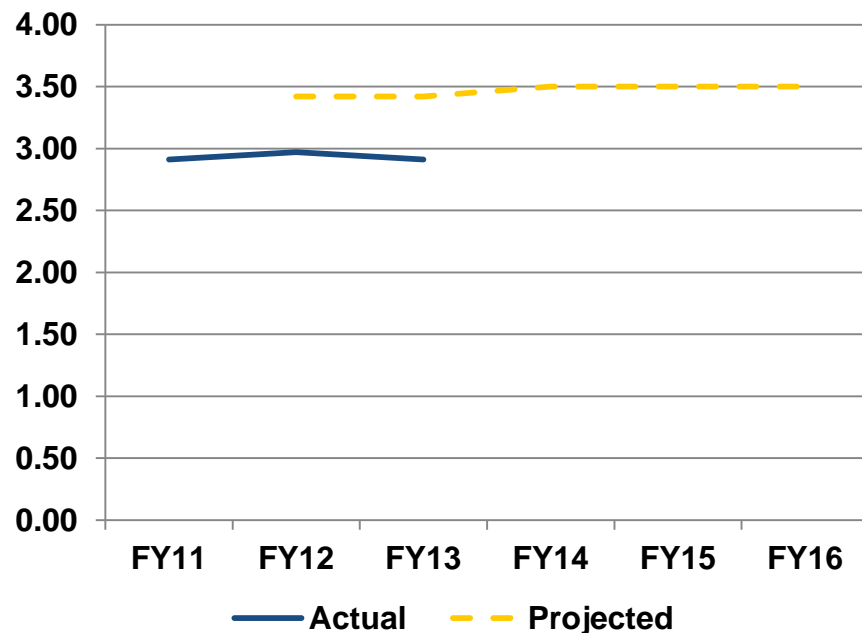
Factors restricting improvement:

- Low survey response rate
- Philosophical view of the County's role in beverage alcohol sales

Performance improvement plan:

- Department has undertaken the replacement of its APPX warehouse management system with ORACLE. FY13 and part of FY14 will see the design of a comprehensive system that includes purchasing, product receipts, sales, routing, delivery, driver settlement and inventory management

Average Wholesale Customer Satisfaction Rating



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	2.91	2.97	2.91	--	--	--
Projection	--	3.42	3.42	3.5	3.5	3.5

Performance in this area remains below the Department's projections.



Headline Measure 5: Rating of Licensees Satisfied with the Licensing Application Process (1-5 Scale)

Factors contributing to current performance:

- Well trained, customer service oriented workforce
- Comprehensive online forms and information
- Fingerprinting offered at DLC location

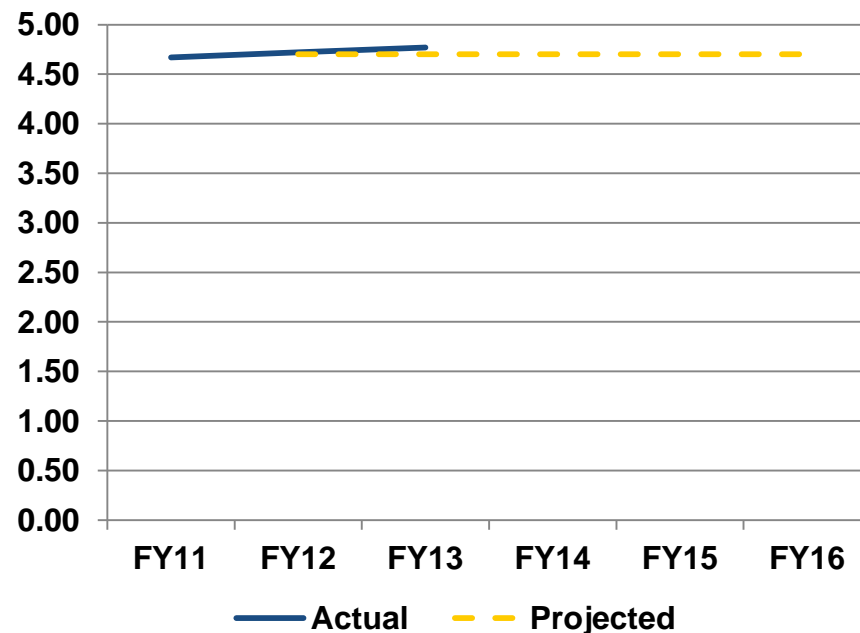
Factors restricting improvement:

- Cost

Performance improvement plan:

- The Department has issued an Informal Solicitation and has selected a vendor to replace a non-compliant fingerprint machine with a new LiveScan portable system that can be taken to hearing and other locations as necessary. The use of this machine provides the department with a small revenue source that will pay for the machine in the first full year of use.

Average Wholesale Customer Satisfaction Rating



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	4.67	4.72	4.77	--	--	--
Projection	--	4.70	4.70	4.70	4.70	4.70

Performance in this area remains satisfactory.



Headline Measure 6: Percentage of Licensees That Fail Compliance Checks

Factors contributing to current performance:

- Customers have a resource in the LRE staff
- The Department offers free twice-monthly ALERT trainings and has information online and in brochures
- The Department works in the community

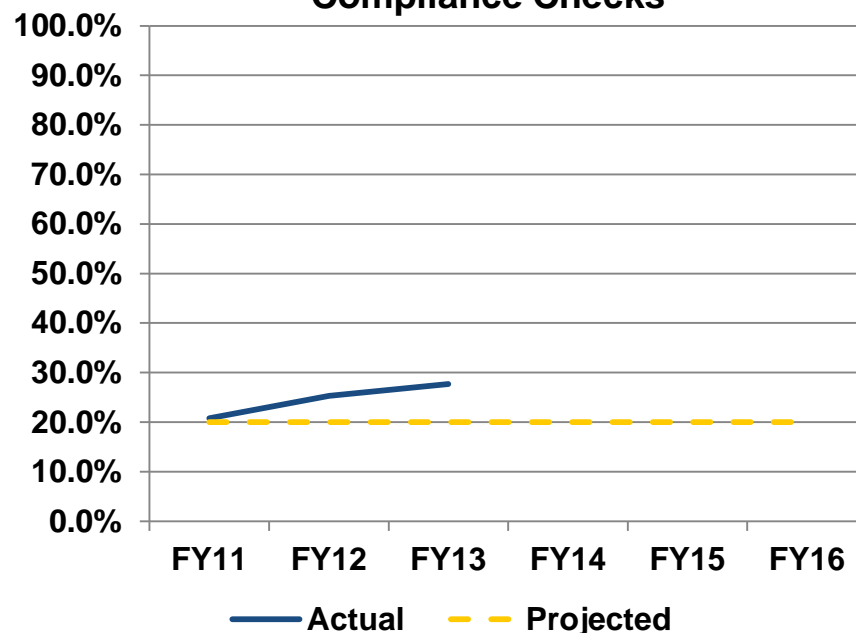
Factors restricting improvement:

- High turnover rate of employees in licensed establishments requires constant training
- Licensees from other parts of the world do not realize importance of restrictions
- Profit motive tempts the sale

Performance improvement plan:

- The ultimate responsibility lies with the license holder and their staff. The Department will continue to offer its trainings and will continue to provide resources to licensees and the community. Collaboration with community leaders, police and businesses will continue.

Percentage of Licensees Failing Compliance Checks



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	20.8%	25.3%	27.7%	--	--	--
Projection	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%

Performance in this area is diverging from projections. The percentage of licensees failing compliance checks is growing.



Headline Measure 7: Number of Annual Alcohol Compliance Checks for Sales to Minors (Under 21)

Factors contributing to current performance:

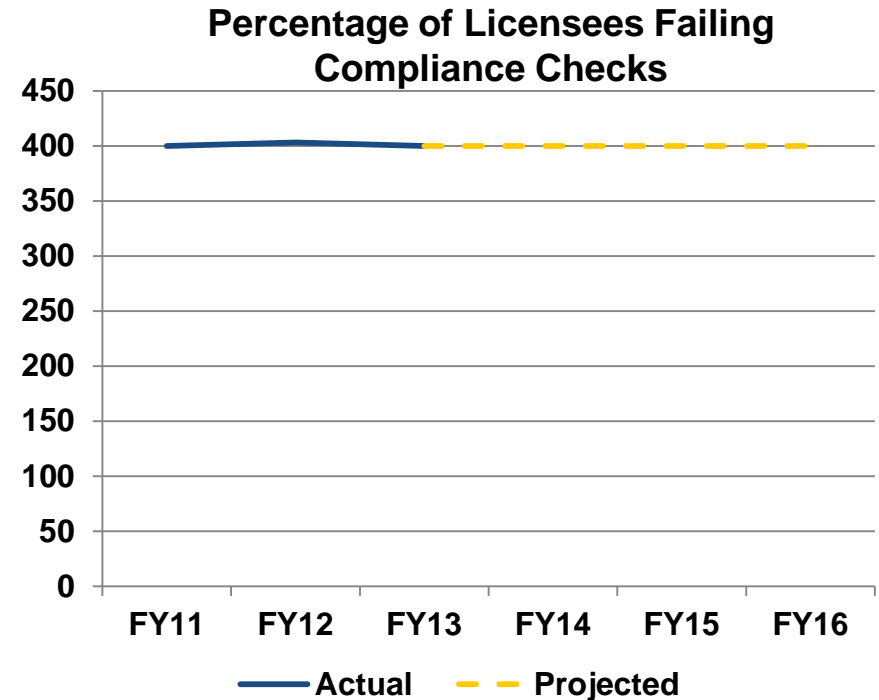
- Compliance checks for sales to minors are a priority

Factors restricting improvement:

- Time

Performance improvement plan:

- The department continues to conduct compliance checks for sales to minors



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	400	403	400	--	--	--
Projection	-	-	400	400	400	400

Performance in this area remains satisfactory.



Headline Measure 8: Inventory as a Percentage of Cost of Goods Sold

Factors contributing to current performance:

- Focus on product selection and regular review of product performance
- Careful evaluation of original and subsequent order quantities
- Periodic review of slow movers coupled with an effective sales strategy
- Focused product placement in stores

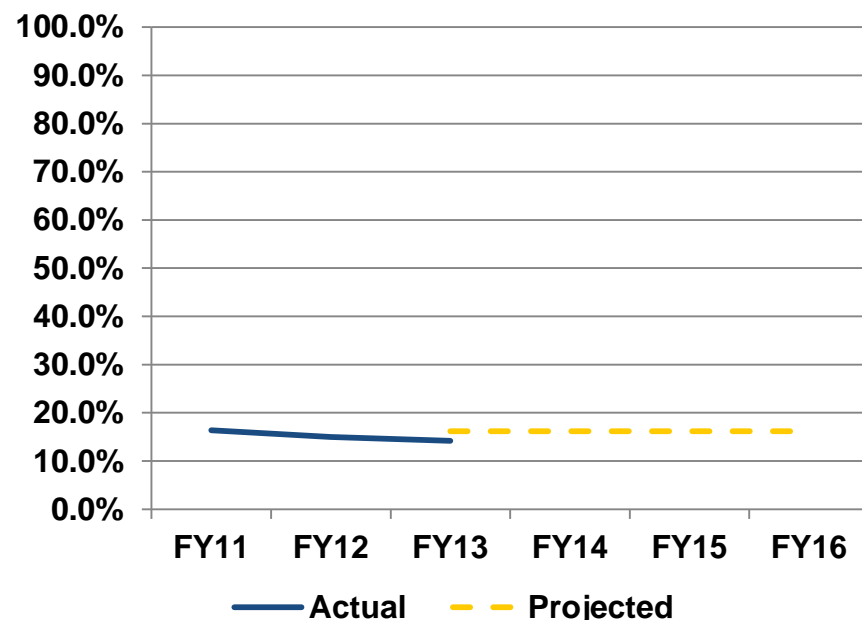
Factors restricting improvement:

- Number of new products is growing exponentially
- Control model requires higher inventory level

Performance improvement plan:

- The Department's goal is to ensure that productivity gains are being realized through effective inventory management. Inventory as a percentage of cost of goods sold is a measure to monitor efficient levels of inventory.

Inventory as a Percentage of Cost of Goods Sold



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	16.4%	15.0%	14.2%	--	--	--
Projection	-	-	16.2%	16.2%	16.2%	16.2%

Performance in this area remains satisfactory.



Headline Measure 9: Inventory as a Percentage DLC Sales

Factors contributing to current performance:

- Focus on product selection and regular review of product performance
- Careful evaluation of original and subsequent order quantities
- Periodic review of slow movers coupled with an effective sales strategy

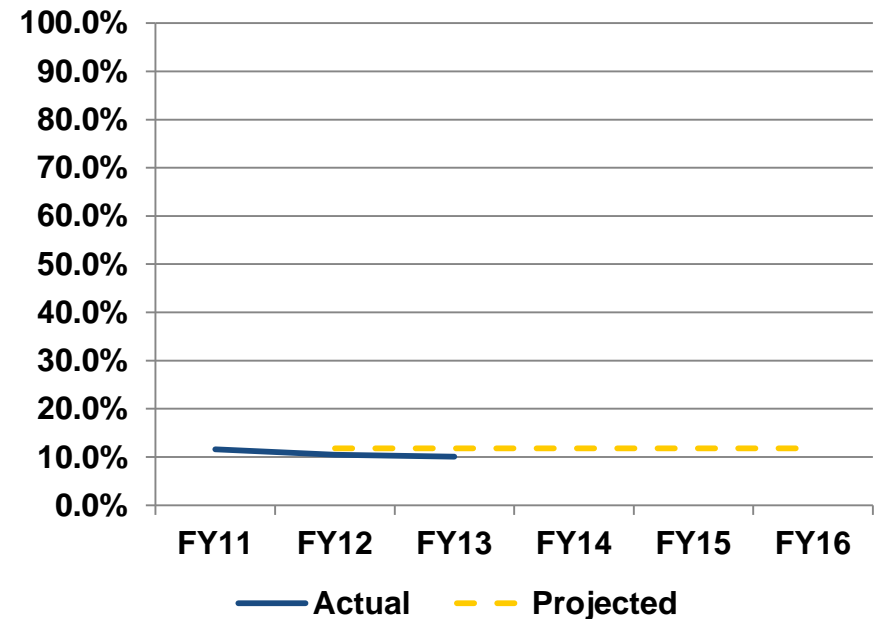
Factors restricting improvement:

- Number of new products is growing exponentially
- Control model requires higher inventory levels

Performance improvement plan:

- The Department's goal is to ensure that productivity gains are being realized through effective inventory management. Inventory as a percentage of DLC sales is a measure to monitor efficient levels of inventory. ORACLE will assist in this effort as it will provide daily and monthly metrics to assist.

Inventory as a Percentage of DLC Sales



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	11.6%	10.5%	10.1%	--	--	--
Projection	-	11.8%	11.8%	11.8%	11.8%	11.8%

Performance in this area remains satisfactory.



Headline Measure 10: Rating of Licensees Satisfied with ALERT Training (1-5 Scale)

Factors contributing to current performance:

- The training is comprehensive yet presented in an understandable manner
- Training is offered in English and occasionally in Spanish
- Training is interactive and an enjoyable experience according to surveys

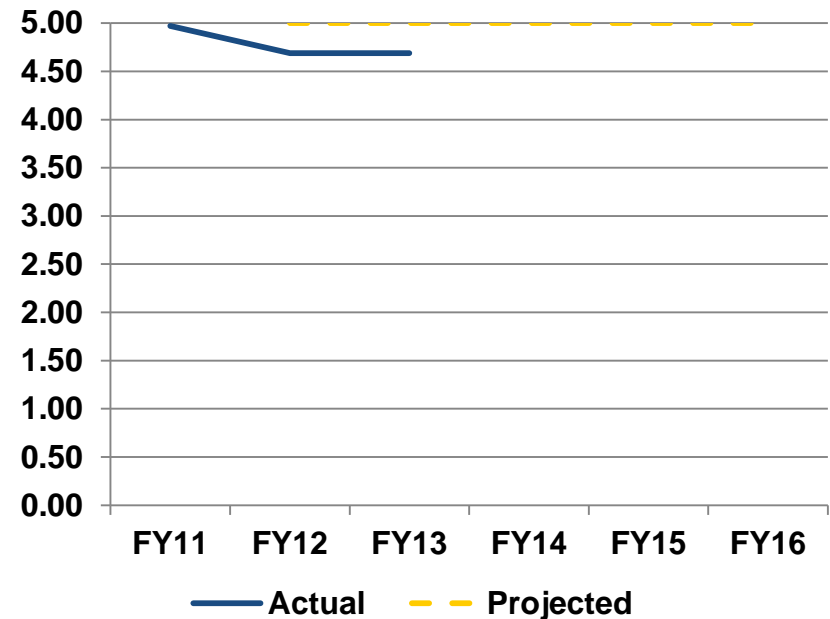
Factors restricting improvement:

- None

Performance improvement plan:

- The Department will continue to offer these free, enjoyable and valuable trainings for current and potential license-holders, staff and others.

Average Satisfaction Rating



	FY11	FY12	FY13	FY14	FY15	FY16
Actual	4.97	4.69	4.69	--	--	--
Projection	-	5.00	5.00	5.00	5.00	5.00

Performance in this area remains satisfactory.



Responsive and Sustainable Leadership

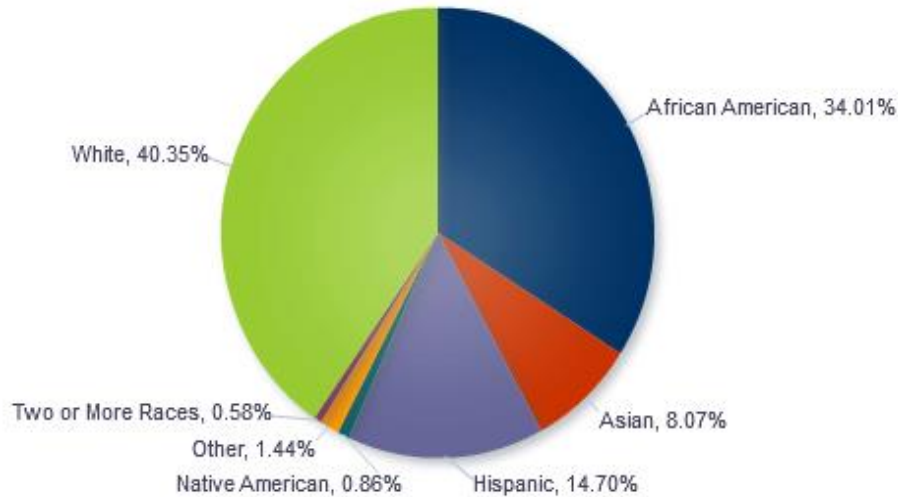
FY13 Responsive and Sustainable Leadership: Overview

Metric	FY12	FY13	Result	Performance
Average overtime hours used (full-time, non-seasonal only)	2.51	3.71	48% Increase	↓
Net Annual Work Hour (department as a whole; full-time, non-seasonal)	83.7%	83.8%	0.1 percentage point decrease	↔
Audit report recommendations fully implemented since issuance of report	86%	93%	7 percentage point increase	↑
Work-related injuries	64	58	9% decrease	↑
Succession planning: Percentage of identified positions that have developed and partially implemented long term succession planning	--	64%	New Measure	
Percentage of employees who have fulfilled mandatory training	3%	7%	4 percentage point increase	↔
Print and mail expenditures	\$112,689	\$128,321	14% Increase	↓
Paper purchases	3,102,000	2,649,250	15% Decrease	↑

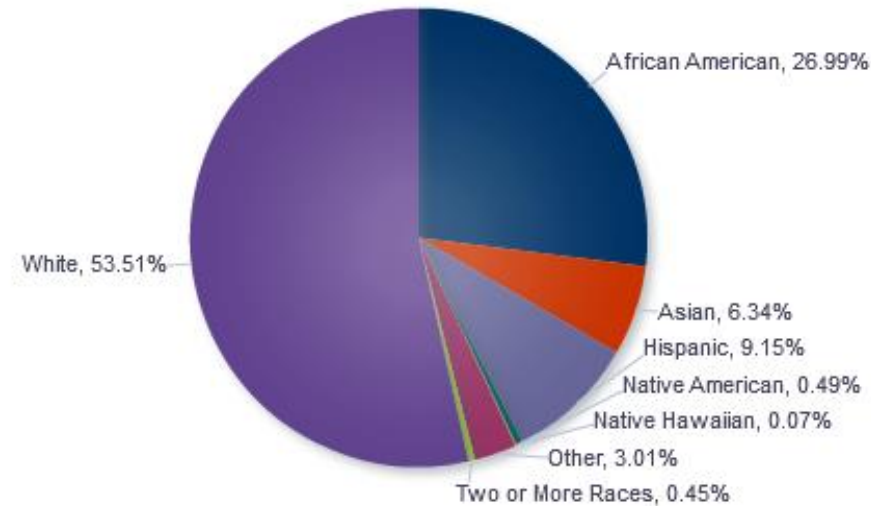


Workforce Diversity*

DLC Merit System Workforce Composition



MCG Merit System Workforce Composition



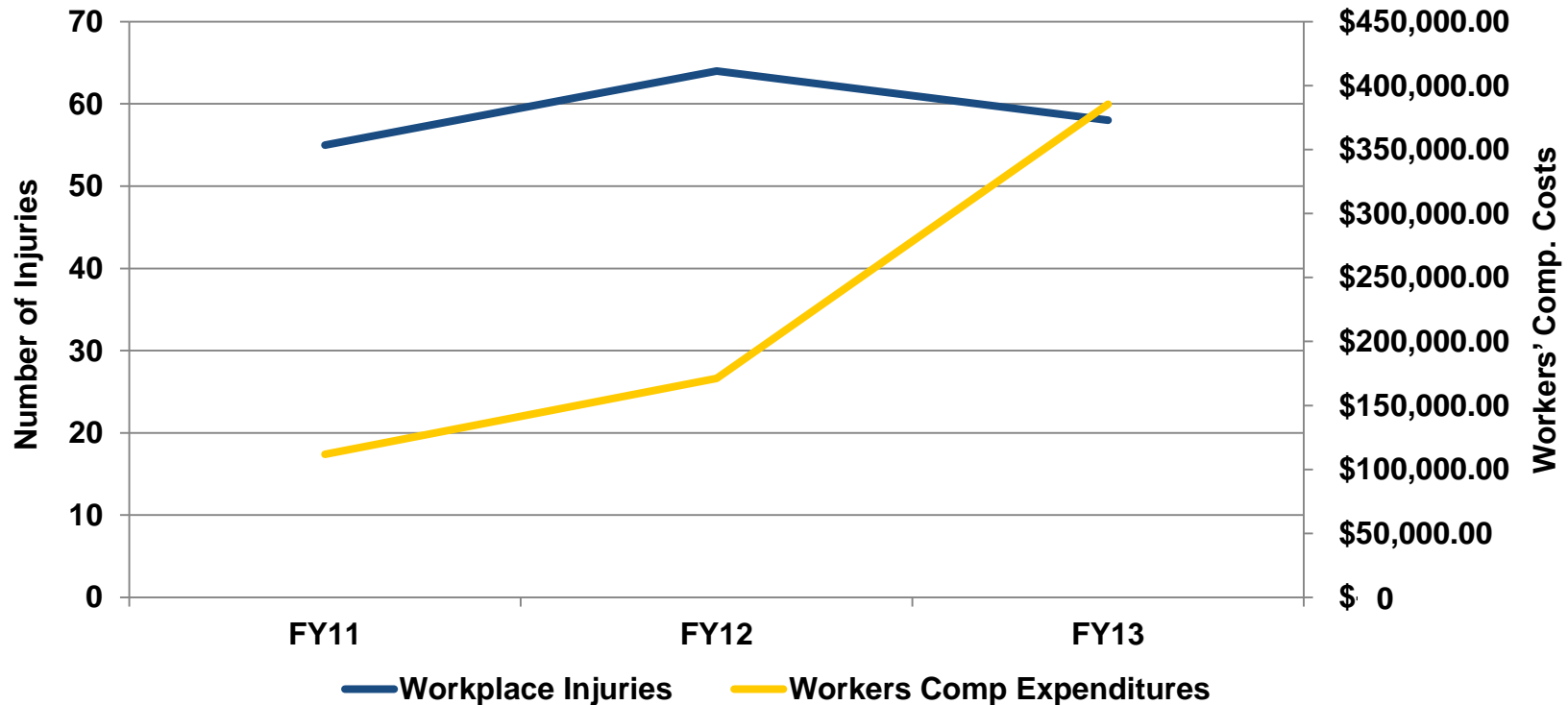
Compared to MCG as a whole, DLC's permanent merit status workforce has a larger share of African American, Asian, and Hispanic workers. The share of White merit employees is smaller than the County as a whole by approximately 13 percentage points.

Source: Oracle ERP

*Includes MCG merit system permanent employees. Credit Union, State's Attorney, and Circuit Court employees are excluded.
Current as of February 6, 2014



DLC Workplace Injuries and Workers' Compensation Costs



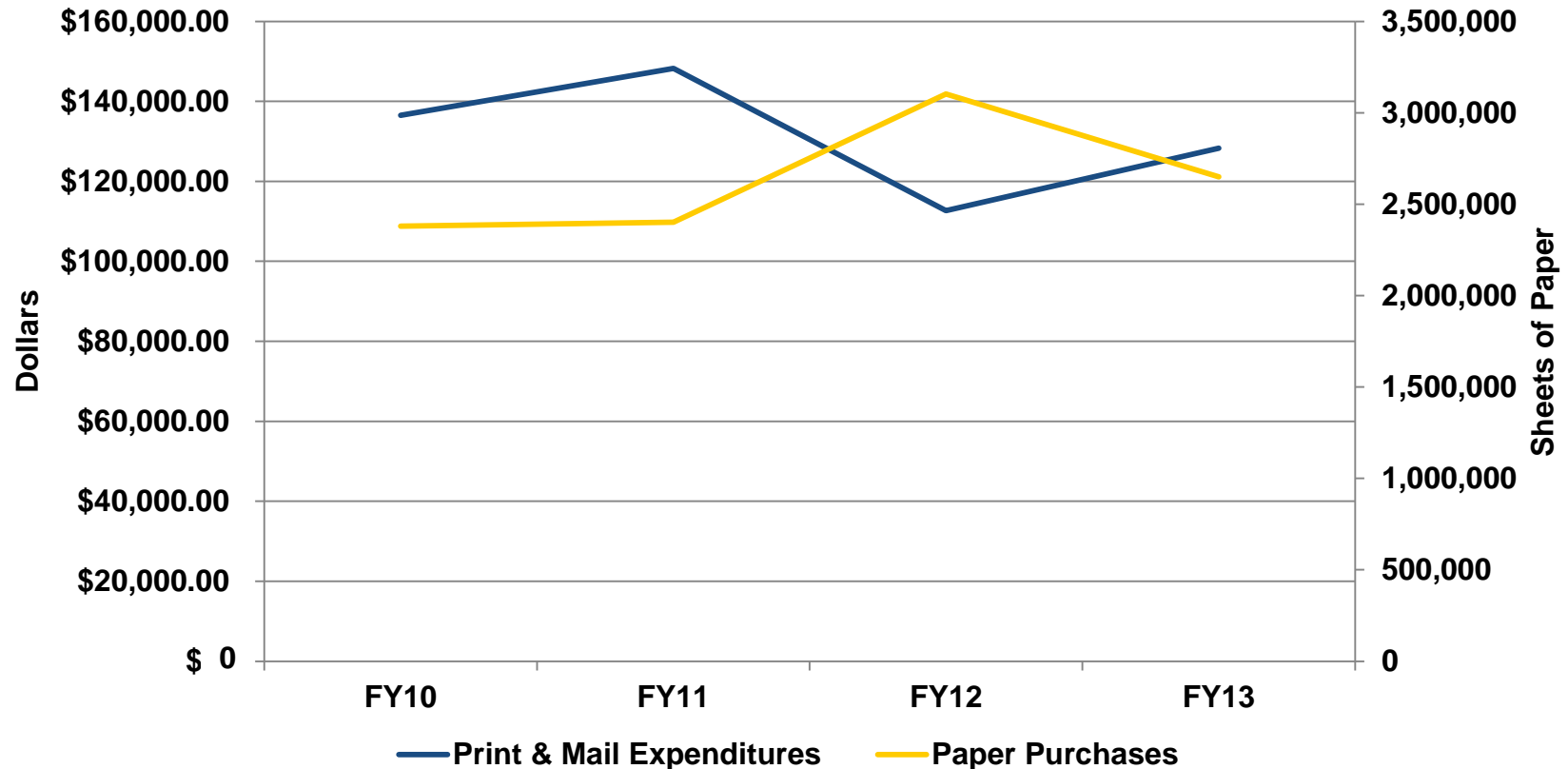
Top 2 Injury Sources: Lifting & Motor Vehicle
Nature of Injury Top 2: Strain & Sprain

Workers' compensation costs within DLC are rising. DLC has not responded to CountyStat's request for a comprehensive strategy to address workplace injuries (see follow up item # 4 on Slide 4).



Source: Risk Management

DLC Environmental Stewardship



DLC had a 14% increase in print and mail expenditures and 15% decrease in paper purchases (measured in total sheets of paper).



Source: Oracle ERP; MCG Print Shop; Office Depot

Outstanding Audit Recommendations

Of 15 total audit recommendations related to DLC's Point-of-Sale system, one is currently outstanding (#14):

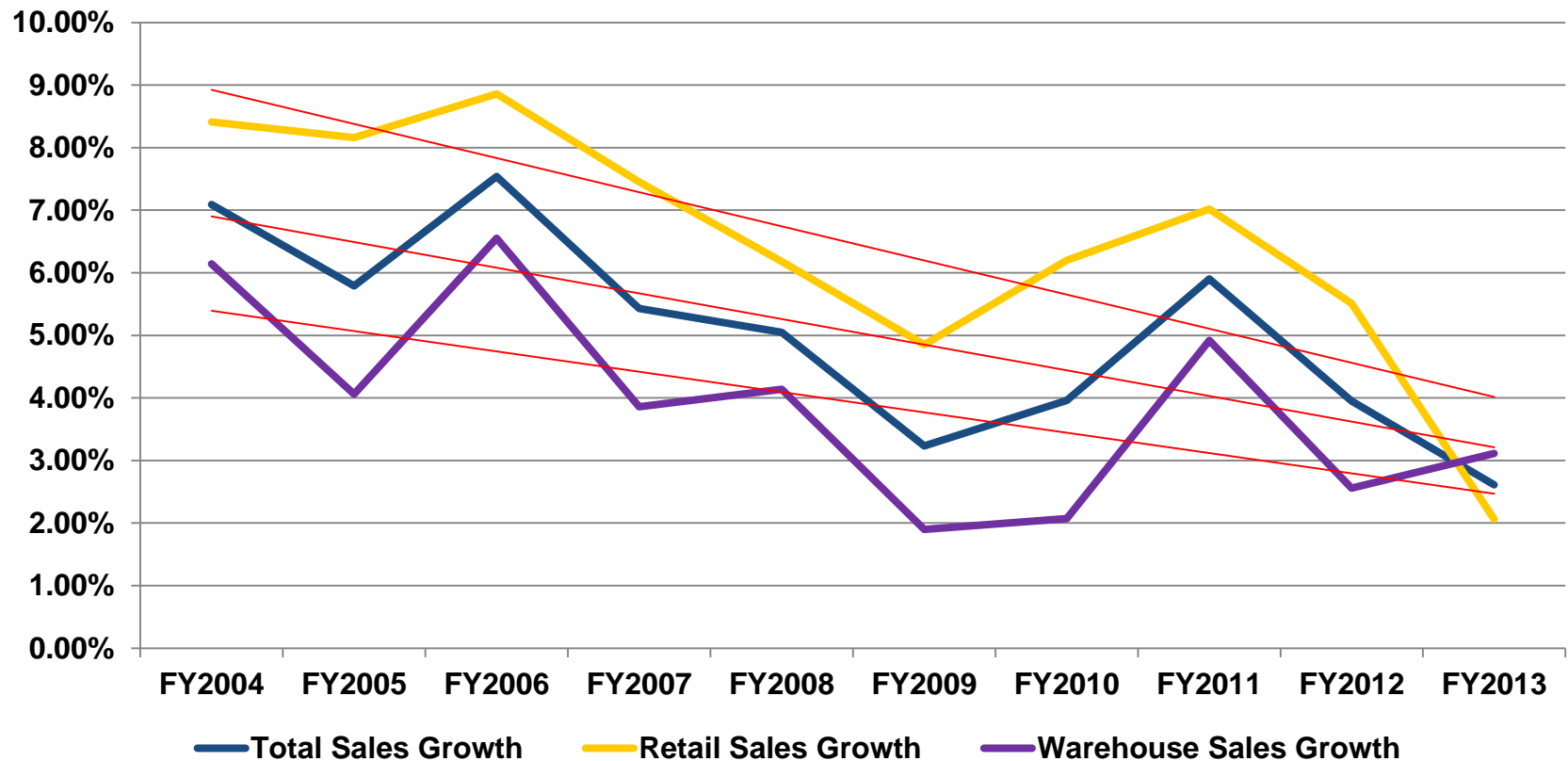
Work with the Director of Finance to set in place a specific plan and target date for bringing Finance's reconciliation of the DLC PNC Bank reconciliation certification process up to date.

DLC noted in the FY12 Performance Review session that the Department of Finance would determine the necessary course of action. Finance has confirmed that they consider this recommendation fully implemented.



Annual Sales Growth

Annual Growth: An in-depth look

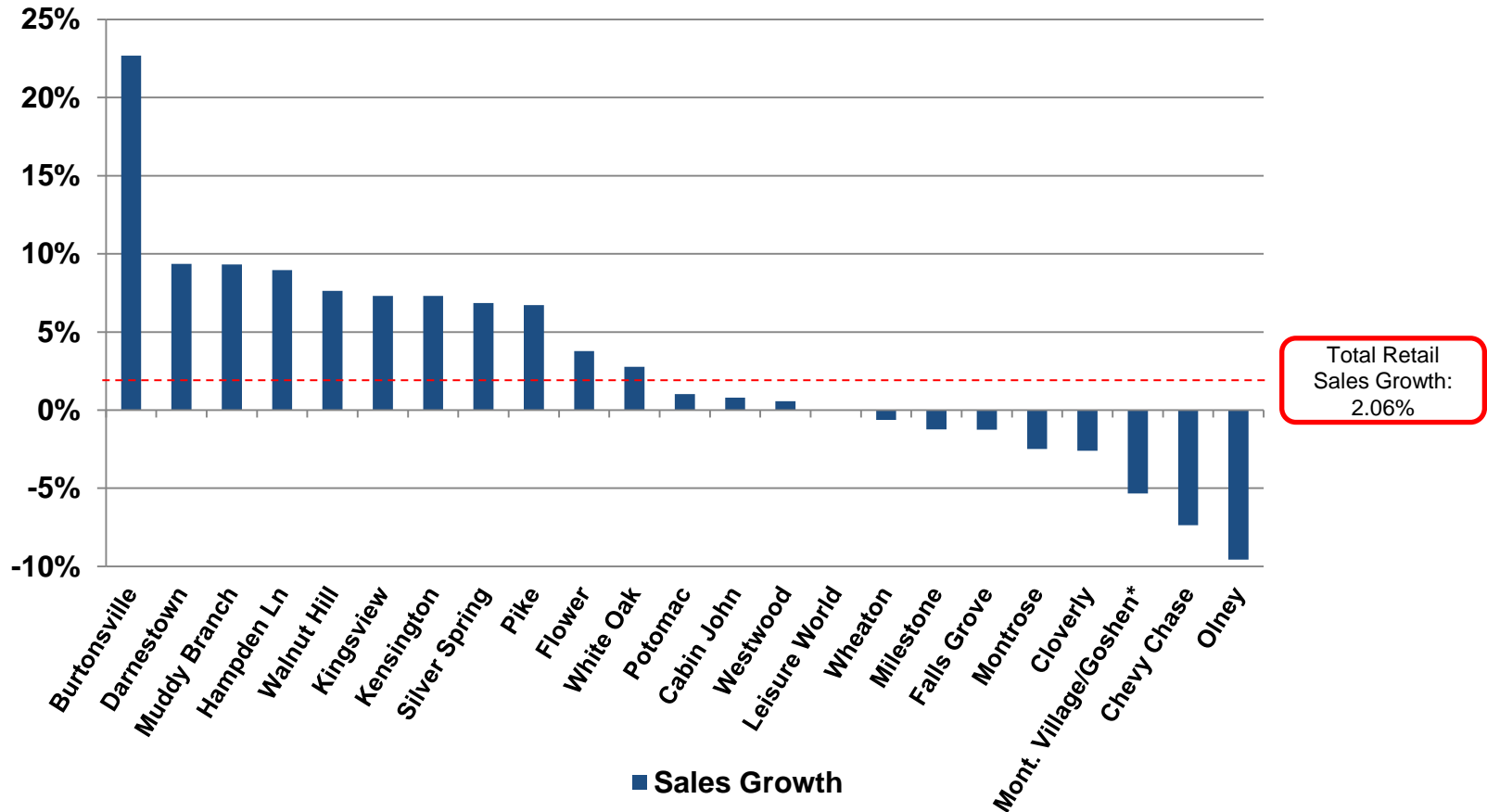


Sales growth trends continue to decline. Retail sales growth has slowed significantly since FY11. In FY13, retail sales comprised 47.7% of total DLC sales.



Source: 2013 DLC Annual Report

Retail Sales Growth by Store: FY12 – FY13



11 stores experienced sales growth above the FY13 total retail growth level, 3 stores experienced sales growth below this level, 9 stores had sales contractions. Burtonsville was the top performing store in terms of sales growth.



Does not include two new stores: Seneca Meadows and Clarksburg
Source: DLC Comparative Sales Analysis Report (Unaudited)

Comparative Store Sales FY11 – FY13

	FY11	FY12	FY13	Sales Growth (FY11-FY13)
Burtonsville	\$1,508,608.00	\$2,685,458.00	\$3,294,685.00	118%
Kingsview	\$4,324,287.00	\$5,668,955.00	\$6,082,948.00	41%
Darnestown	\$4,957,589.00	\$5,640,637.00	\$6,167,965.00	24%
Hampden Ln	\$5,306,254.00	\$5,900,155.00	\$6,428,528.00	21%
Muddy Branch	\$6,075,918.00	\$6,598,710.00	\$7,213,510.00	19%
Silver Spring	\$4,878,252.00	\$5,415,012.00	\$5,786,302.00	19%
Kensington	\$5,275,004.00	\$5,668,955.00	\$6,082,948.00	15%
Walnut Hill	\$4,236,712.00	\$4,470,425.00	\$4,811,528.00	14%
Flower	\$2,526,168.00	\$2,704,317.00	\$2,806,634.00	11%
Pike	\$5,984,049.00	\$6,173,661.00	\$6,588,724.00	10%
Potomac	\$6,147,488.00	\$6,566,688.00	\$6,633,882.00	8%
White Oak	\$4,419,123.00	\$4,638,038.00	\$4,766,146.00	8%



Source: DLC Comparative Sales Analysis Report (Unaudited)

Comparative Store Sales FY11 – FY13

	FY11	FY12	FY13	Sales Growth (FY11-FY13)
Wheaton	\$4,199,136.00	\$4,522,576.00	\$4,494,677.00	7%
Westwood	\$6,842,891.00	\$7,218,858.00	\$7,260,261.00	6%
Cabin John	\$4,139,281.00	\$4,306,864.00	\$4,341,245.00	5%
Mont. Village/Goshen*	\$3,903,243.00	\$4,242,576.00	\$4,015,953.00	3%
Leisure World	\$4,290,209.00	\$4,396,649.00	\$4,395,726.00	2%
Falls Grove	\$4,650,727.00	\$4,814,286.00	\$4,753,970.00	2%
Milestone	\$7,928,374.00	\$8,187,946.00	\$8,086,919.00	2%
Montrose	\$7,843,494.00	\$8,149,584.00	\$7,946,381.00	1%
Chevy Chase	\$2,472,259.00	\$2,534,192.00	\$2,347,368.00	-5%
Cloverly	\$3,765,480.00	\$3,614,014.00	\$3,519,708.00	-7%
Olney	\$6,029,068.00	\$6,072,632.00	\$5,491,662.00	-9%
Diamond Square**	\$1,929,002.00	-	-	-

*Montgomery Village store moved to Goshen in FY13

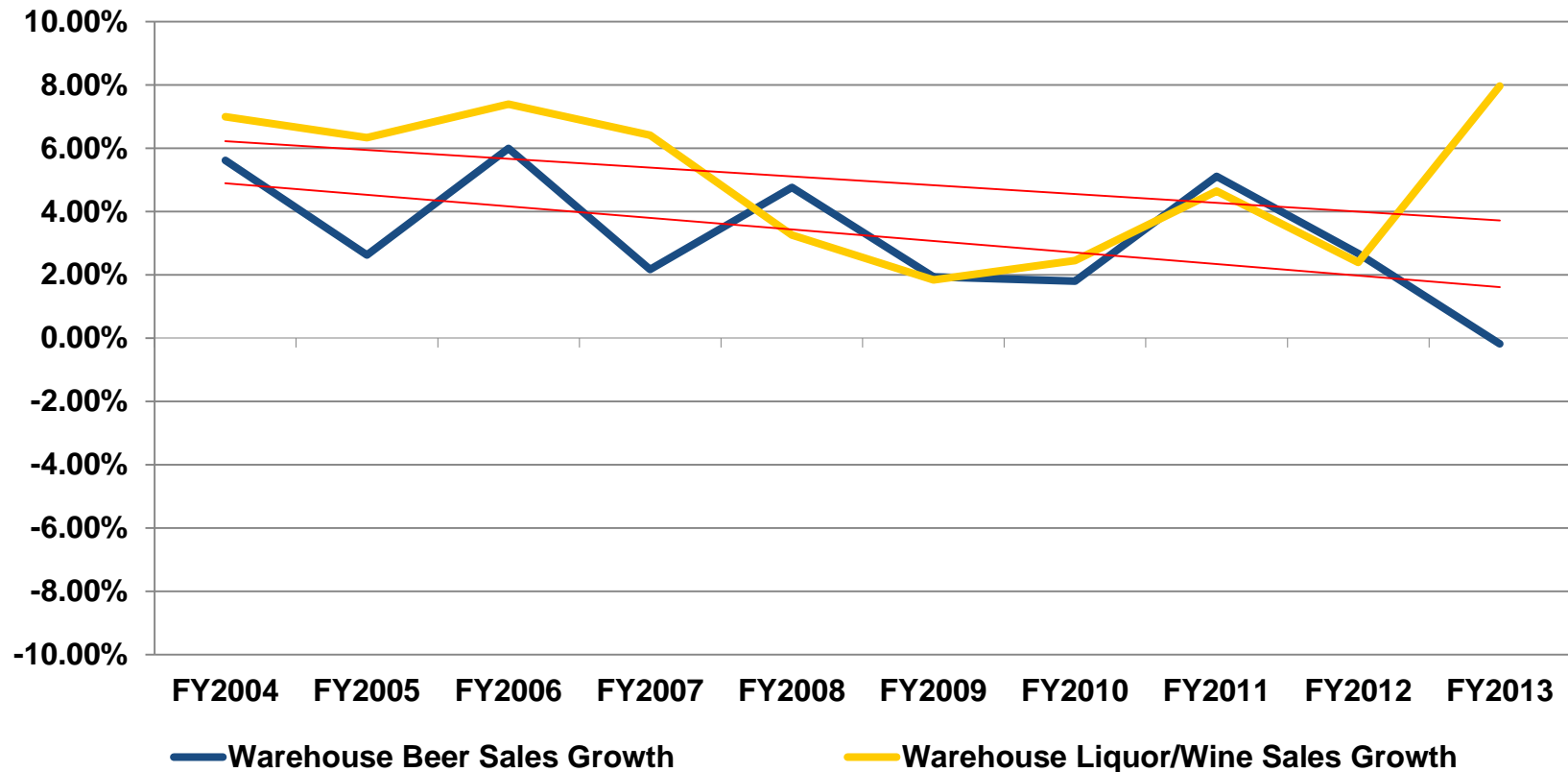
**Diamond Square is no longer operational

Chevy Chase, Cloverly and Olney have experienced contractions in sales since FY11.



Does not include two new stores: Seneca Meadows and Clarksburg
Source: DLC Comparative Sales Analysis Report (Unaudited)

Warehouse Annual Growth: An in-depth look



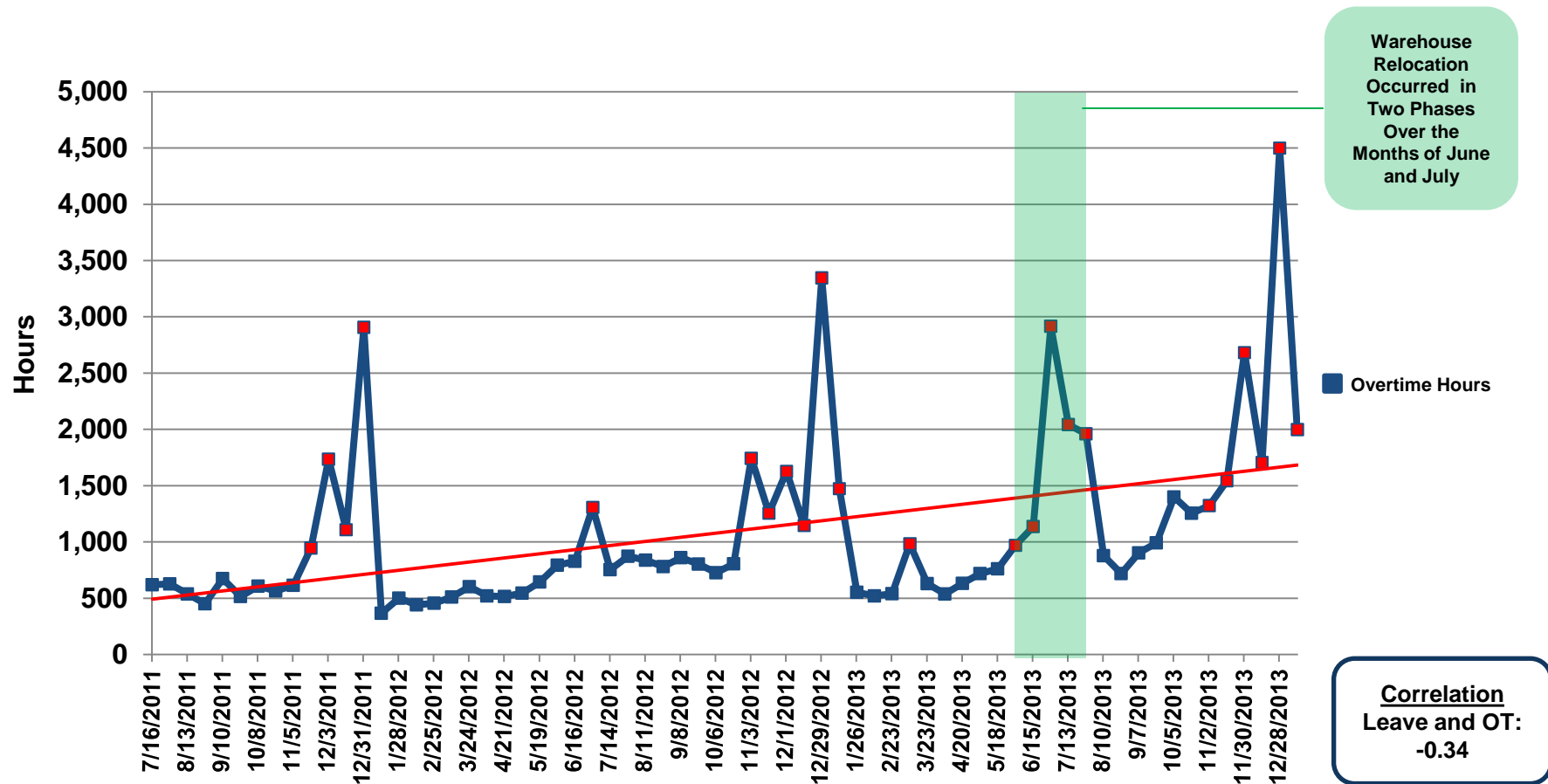
The FY13 growth in Wholesale operations can be attributed to growth in liquor and wine sales. Beer sales growth contracted from FY12 to FY13.



Source: 2013 DLC Annual Report

DLC Overtime Use and Trends

DLC Overtime Hours Worked: FY12 – Present

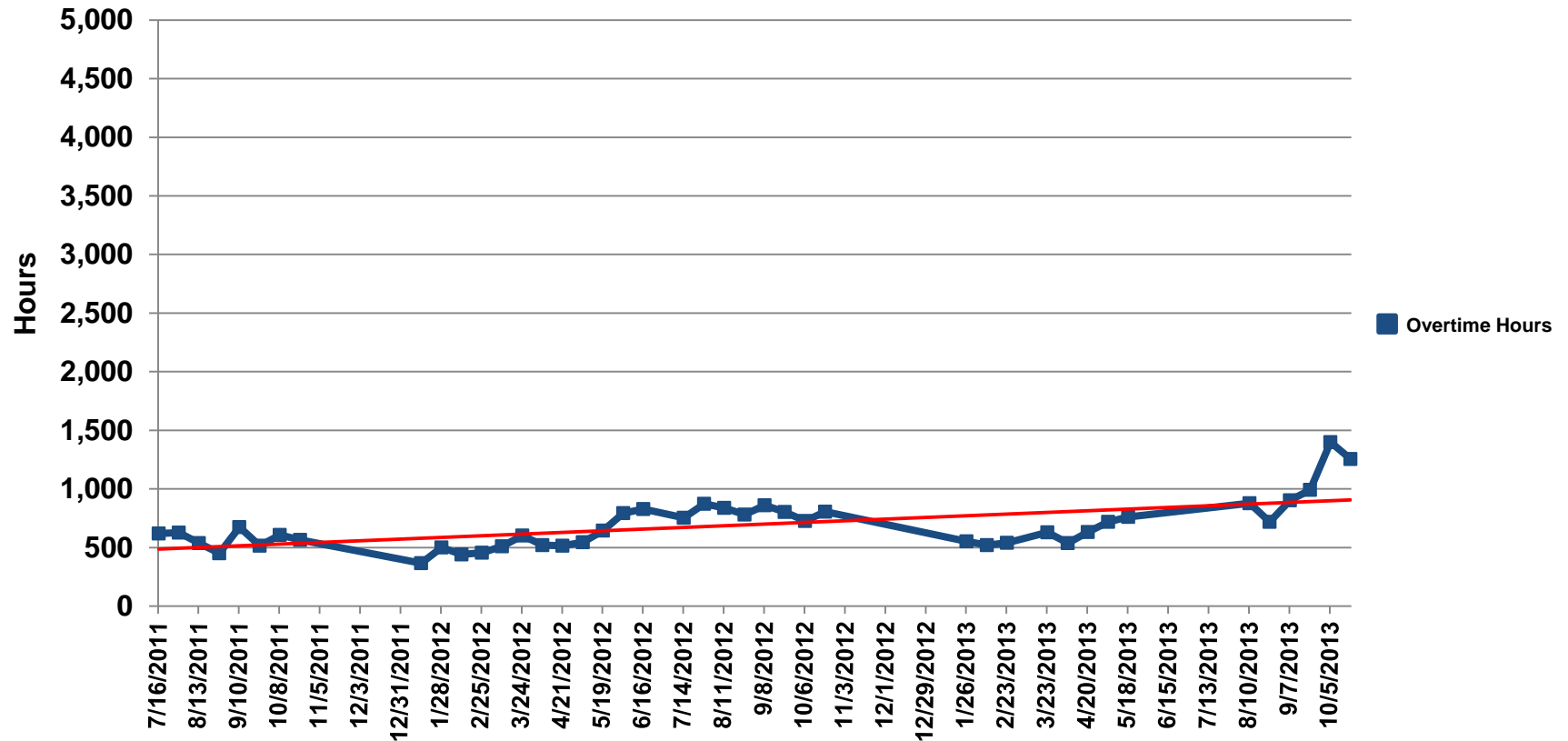


Overall, the trend in overtime hours continues to rise. While overtime peaks occur during the holiday season, the peaks are becoming larger. CountyStat removed the overtime peaks in red to observe the trend in non-holiday and event driven overtime (see next slide).



*Unless otherwise specified, all overtime calculations include overtime hours worked by temporary employees.
Source: Oracle ERP

DLC Overtime Hours Worked: FY12 – Present



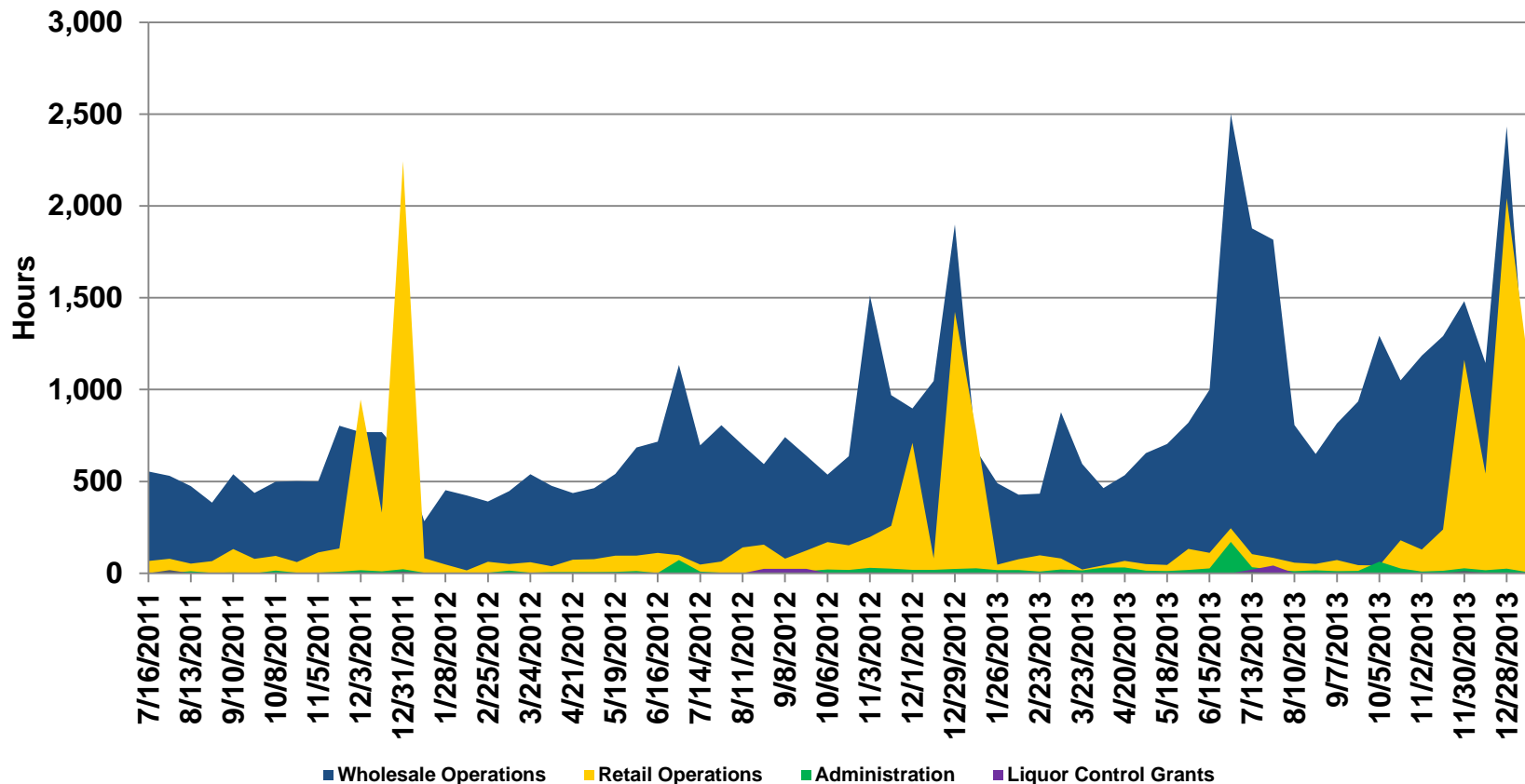
The trend in overtime hours is also up when peaks are removed.

*Unless otherwise specified, all overtime calculations include overtime hours worked by temporary and seasonal employees.

Source: Oracle ERP



DLC Overtime Hours by Oracle Level 2 Cost Center: FY12 – Present

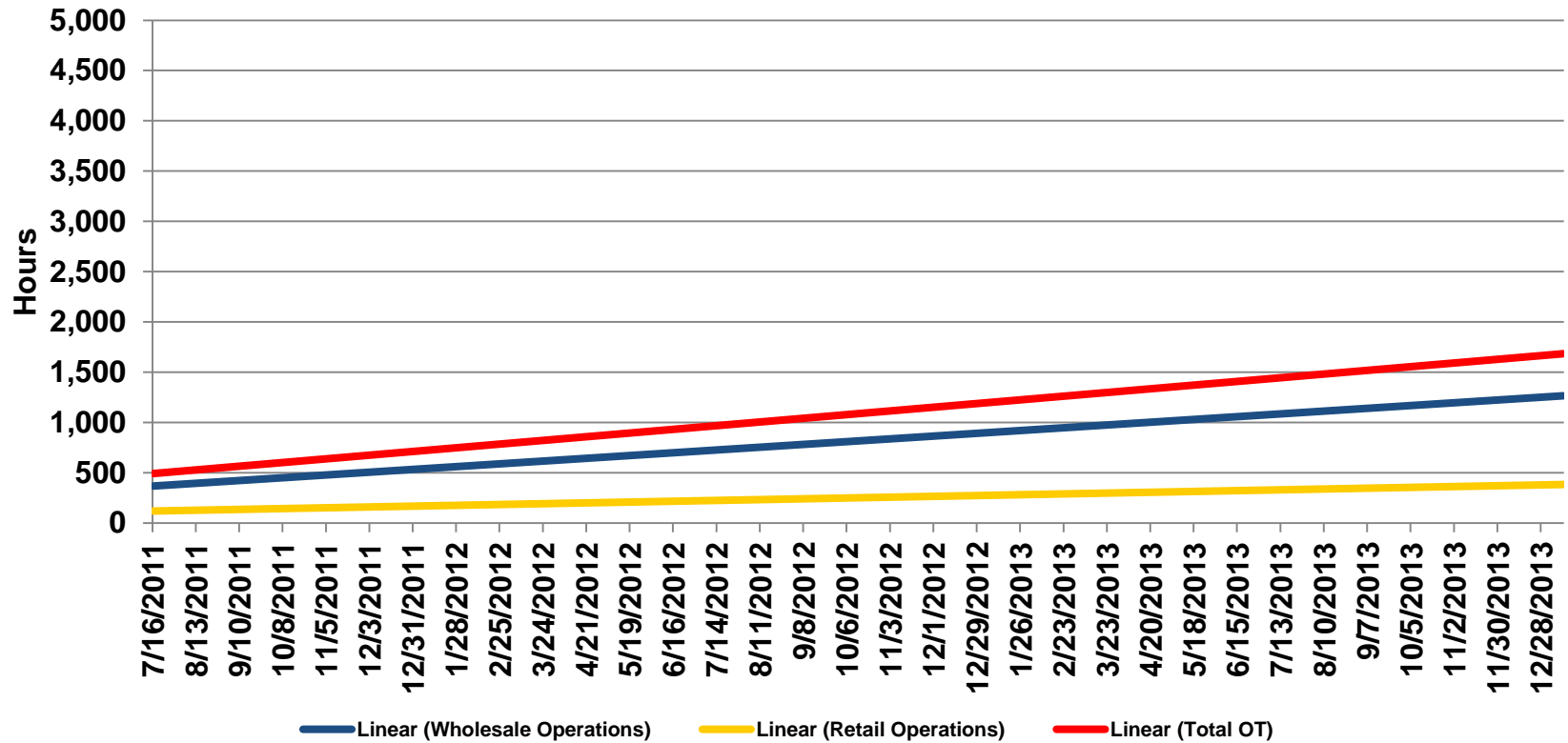


Wholesale Operations division accounts for most of DLC's overtime hours.



Source: Oracle ERP

DLC Overtime by Oracle Level 2 Cost Center: FY12 – Present

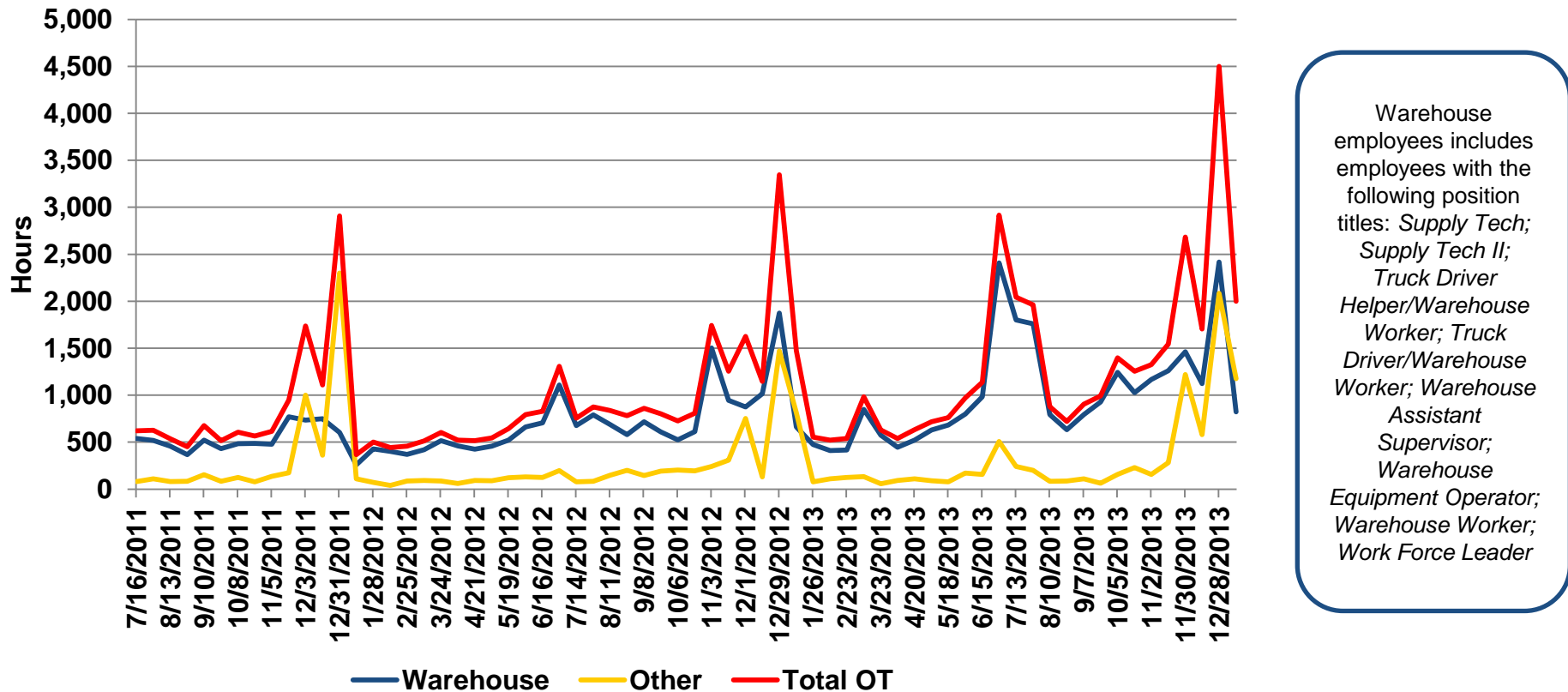


Overtime trends are rising in both Wholesale and Retail.



Source: Oracle ERP

DLC Overtime: Warehouse Workers vs. Other

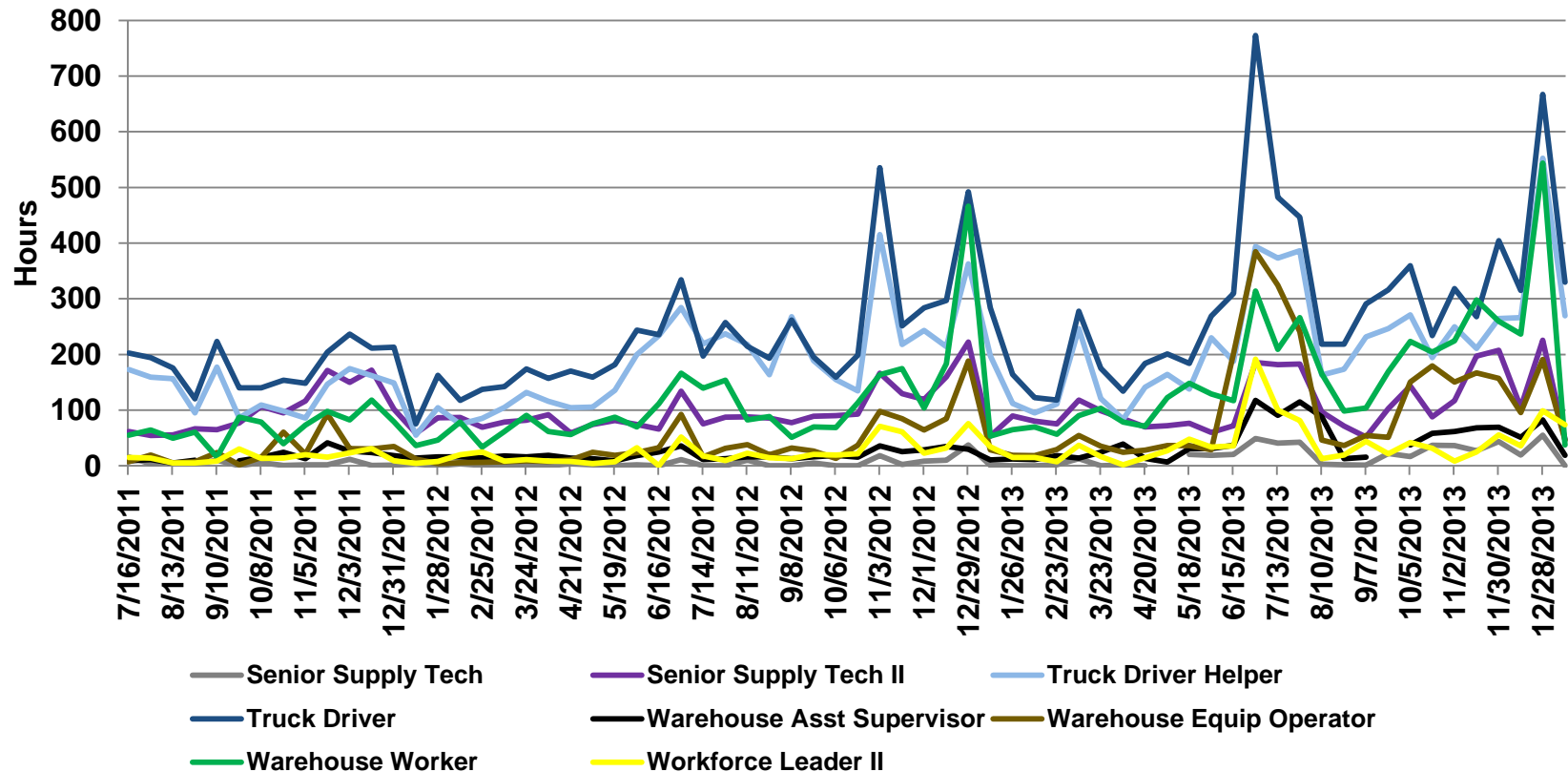


Warehouse overtime spikes during holidays, but remains near 500 hours per pay period throughout the year in FY12 and FY13. In FY14, Warehouse overtime has remained consistently near 1000 hours. Spikes in “Other” employees’ overtime correlates with the onset of the holiday season.



Source: Oracle ERP

Overtime by Warehouse Employee Job Title

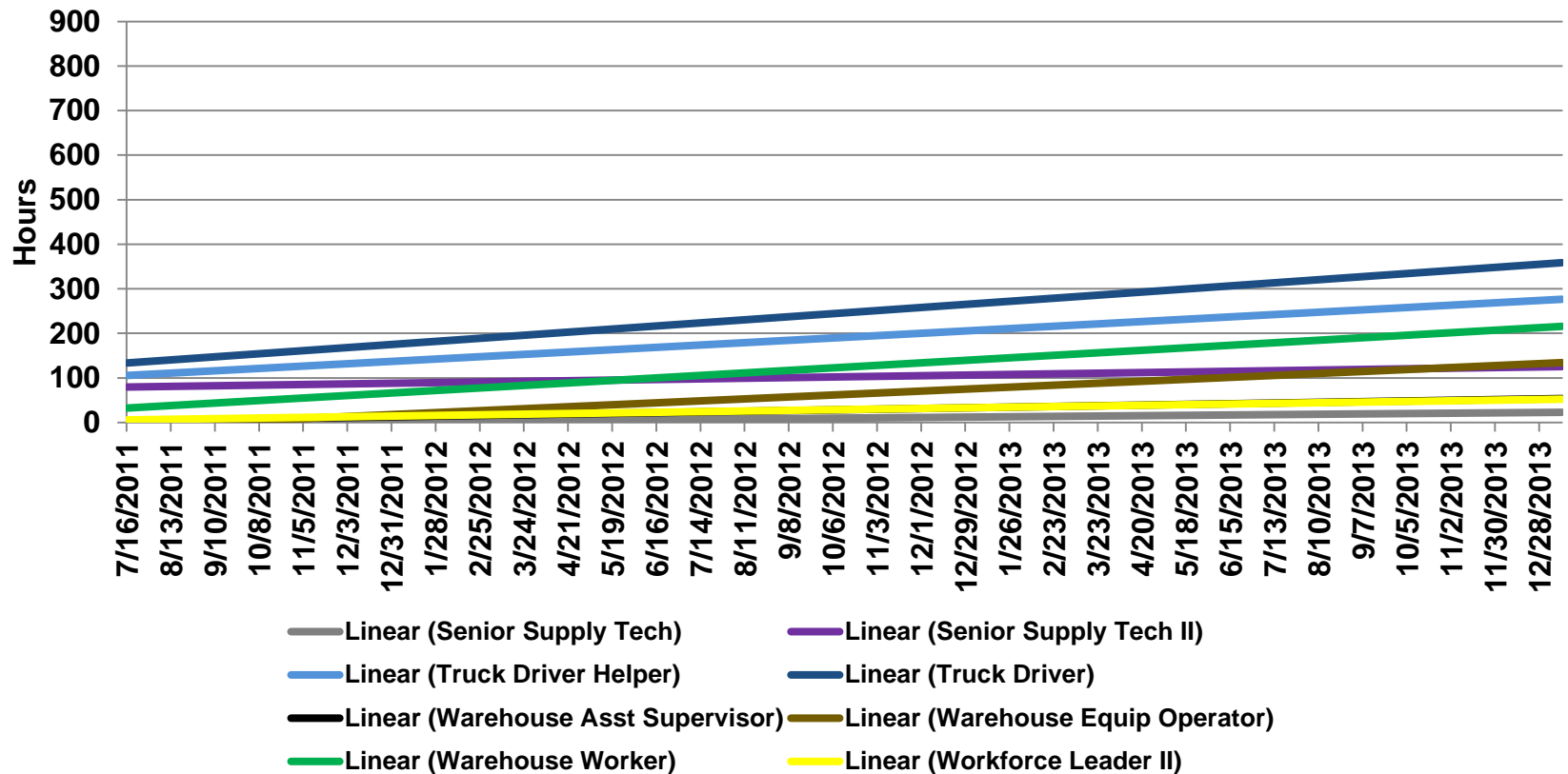


Truck Drivers work the most overtime on average, followed by Truck Driver Helpers and Warehouse Workers, respectively.



Source: Oracle ERP

Overtime by Warehouse Employee Job Title

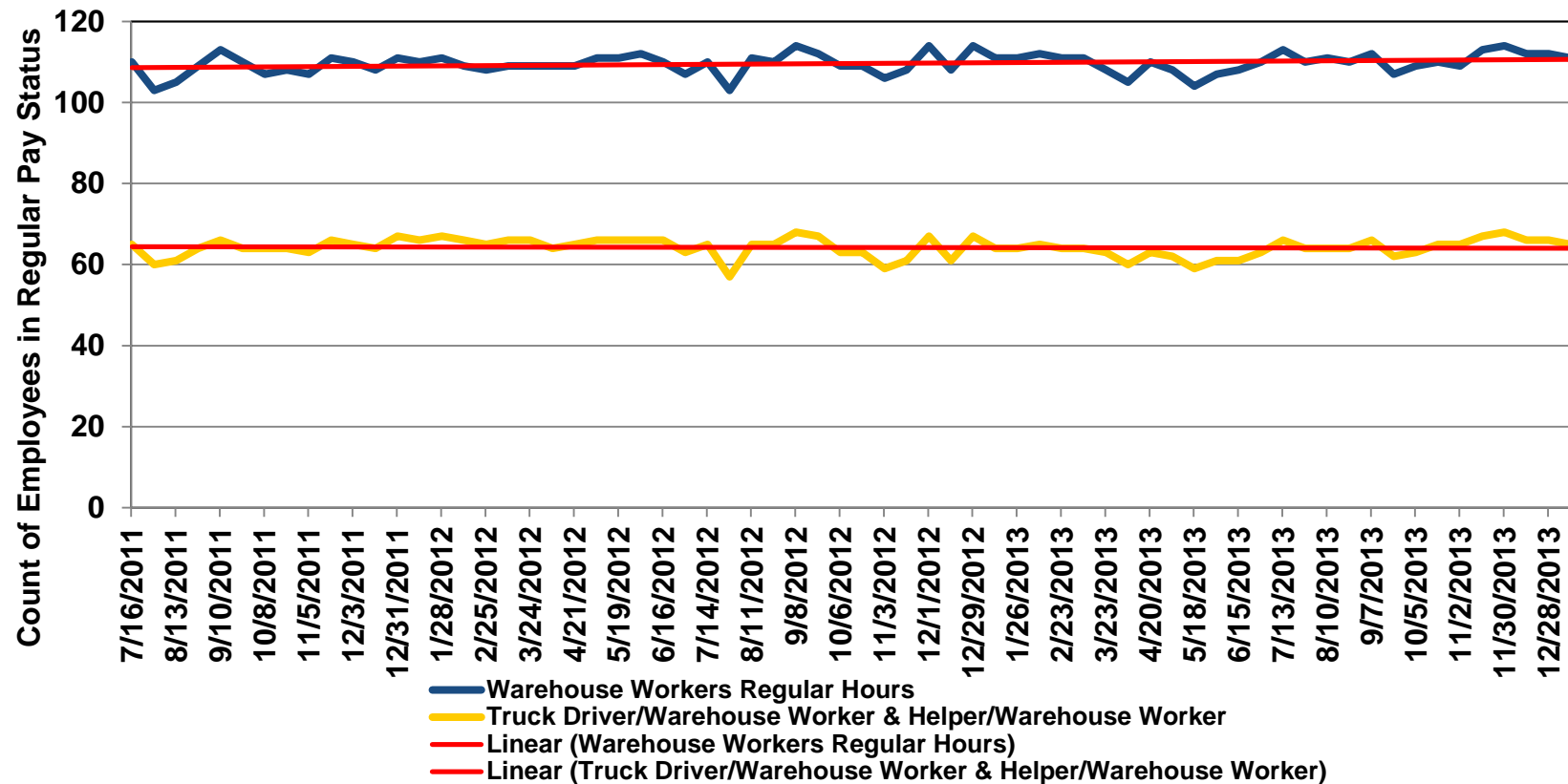


Overtime trends are up for all warehouse employees .



Source: Oracle ERP

Count of Warehouse Employees in Regular Pay Status

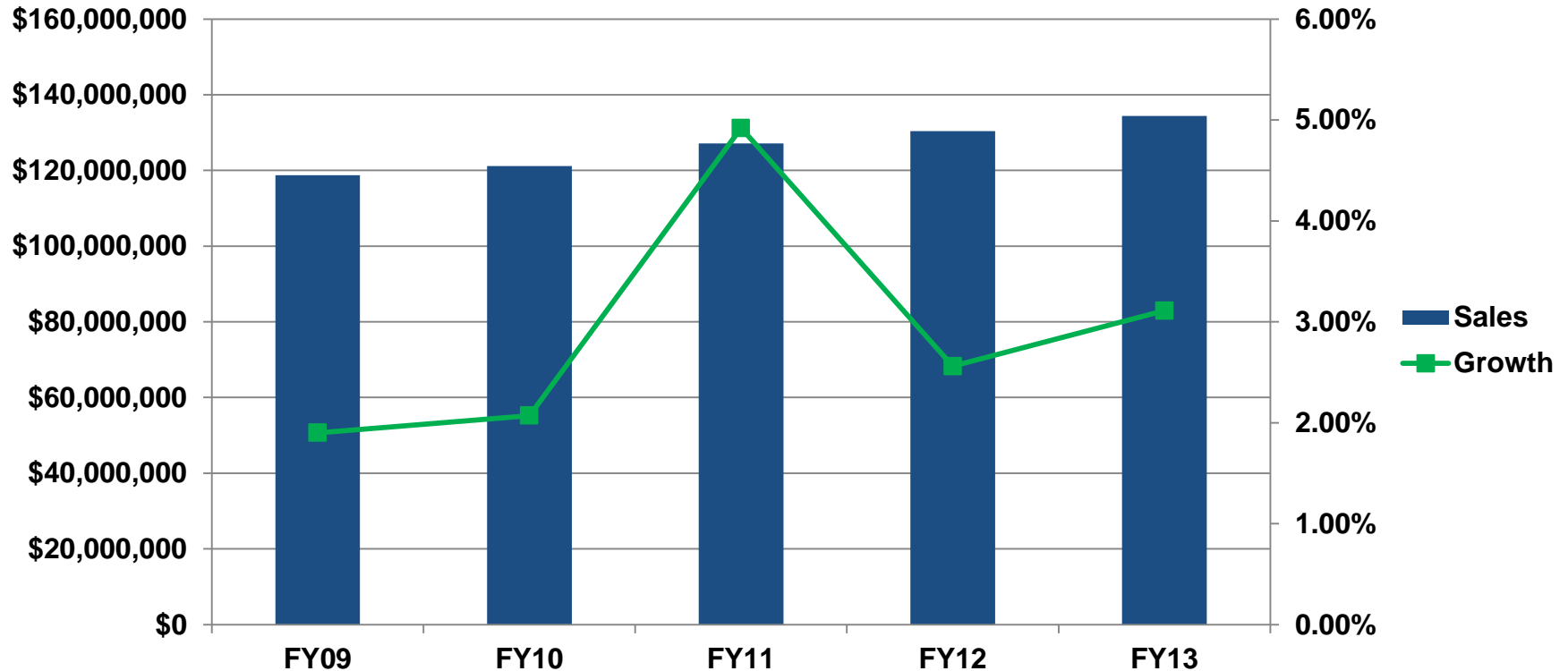


From FY12 – present, the number of warehouse workers in a regular pay status has grown slightly and the number of Truck Drivers and Truck Driver Helpers (the largest drivers of overtime) has remained the same.

Includes the following position titles and includes seasonal employees: Supply Tech; Supply Tech II; Truck Driver Helper/Warehouse Worker; Truck Driver/Warehouse Worker; Warehouse Assistant Supervisor; Warehouse Equipment Operator; Warehouse Worker; Work Force Leader
Source: Oracle ERP



Wholesale DLC Sales and Growth



Warehouse sales are rising.



Source: DLC Annual Report

DLC Performance
Review

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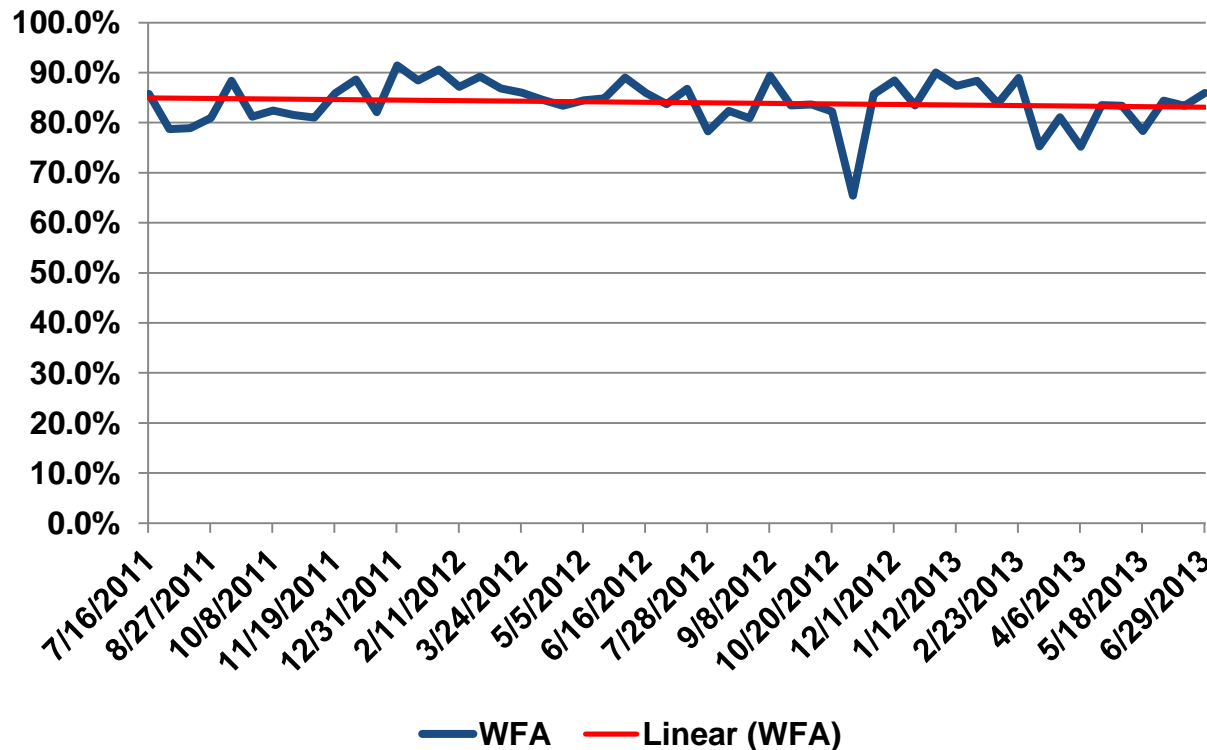
2/19/2014



Leave Use and Workforce Availability Among Warehouse Employees

Warehouse Employees' Workforce Availability:*

FY12 – FY13



Position	FY 13 WFA (# of Employees**)
Senior Supply Tech	91.0% (2)
Senior Supply Tech II	86.3% (11)
Truck Driver Helper/Warehouse Worker	83.9% (30)
Truck Driver/Warehouse Worker	81.5% (37)
Warehouse Asst. Supervisor	87.7% (3)
Warehouse Equip. Operator	85.0% (14)
Warehouse Worker	88.2% (10)
Workforce Leader II	87.7% (6)

The average WFA for warehouse workers is 84.3% and is trending down slightly. The County average for 25 executive departments was 83.5% in FY13.*** Only Truck Driver/Warehouse Workers fall below the overall County average.

*Includes full-time permanent employees only.

**Employee counts equate to the average number of employees in a pay status per pay period. County average for major departments in FY13 was 83.5%

***The 25 departments were selected because they have more than 10 full-time merit employees.

Source: Oracle ERP



Warehouse Employee Net Annual Work Hour (NAWH)

Position	FY12 NAWH	FY13 NAWH	2-Year Avg. NAWH	2 year Avg. WFA
Supply Tech	1,889.00	1,925.25	1,907.13	91.7%
Supply Tech II	1,813.36	1,782.32	1,797.84	86.4%
Truck Driver Helper/Warehouse Worker	1,787.60	1,694.17	1,740.89	83.7%
Truck Driver/Warehouse Worker	1,698.89	1,658.29	1,678.59	80.7%
Warehouse Asst. Supervisor	1,886.00	1,779.83	1,832.92	88.1%
Warehouse Equip. Operator	1,780.00	1,760.14	1,770.07	85.1%
Warehouse Worker	1,813.45	1,861.64	1,837.54	88.3%
Work Force Leader II	1,838.93	1,817.93	1,828.43	87.9%

Overall, DLC Warehouse employees are showing up for work at a rate that exceeds the County's overall average. Truck Driver/Warehouse Workers lag behind in this regard.

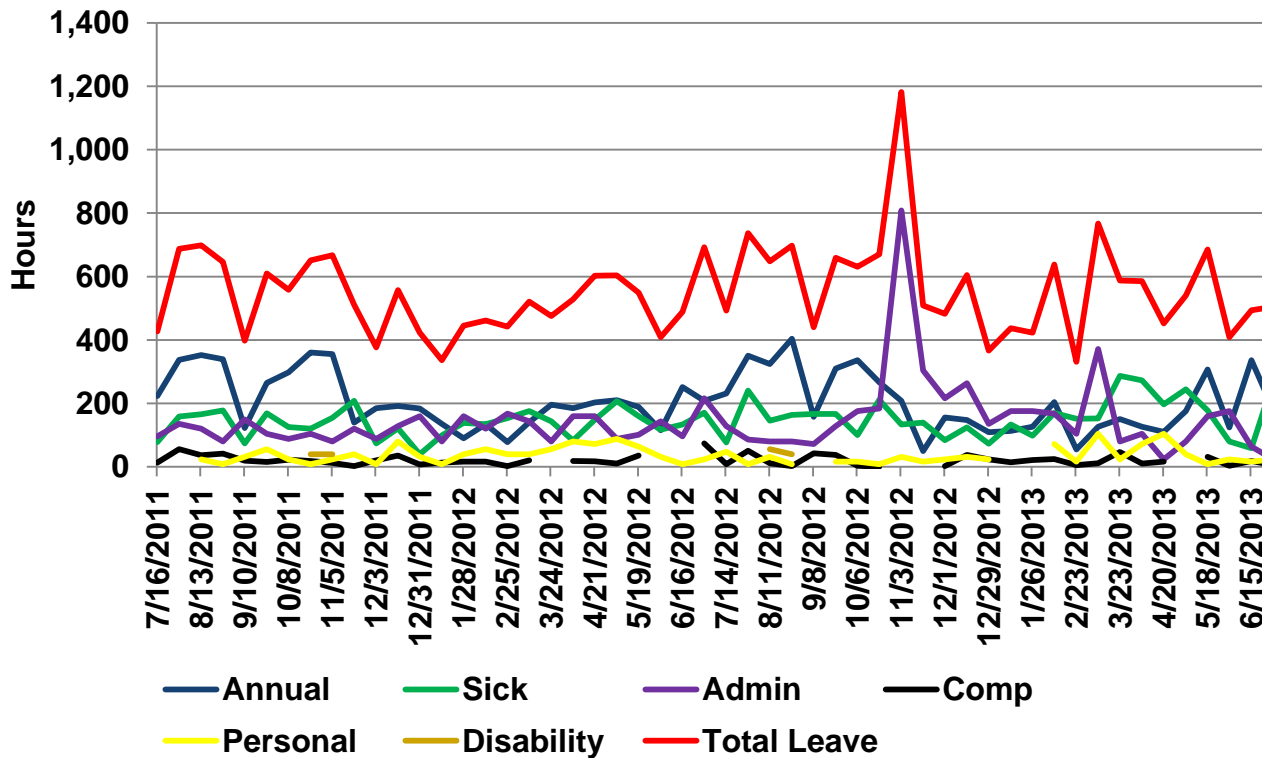
*Includes full-time permanent employees only.

**Employee counts equate to the average number of employees in a pay status per pay period. County average for major departments in FY13 was 83.5%

Source: Oracle ERP



Truck Driver/Warehouse Worker's Leave Use by Type: FY12 to FY13 (1/2)



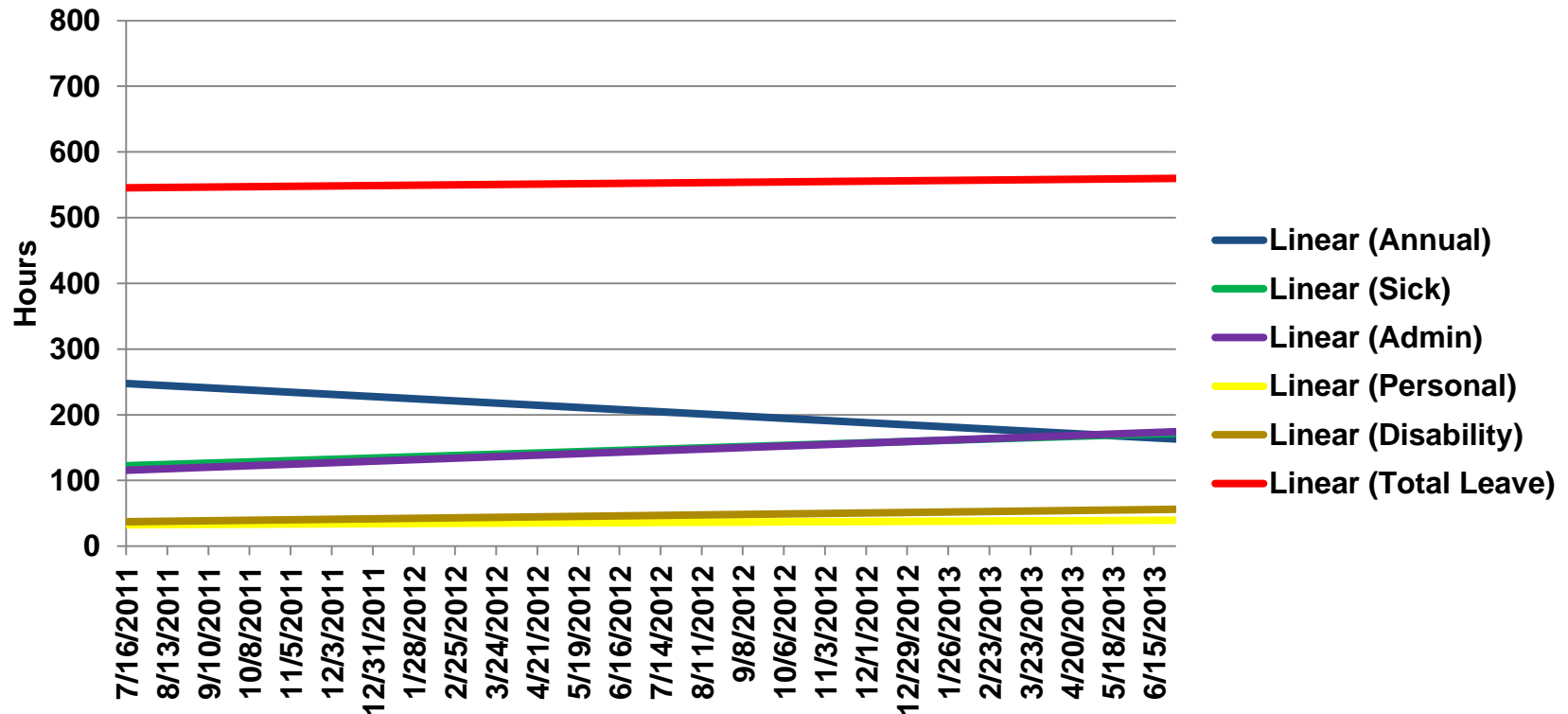
Leave Type	Percent of Total Leave (FY12-13)
Annual Leave	37.17%
Sick Leave	26.64%
Admin Leave	26.25%
Personal Leave	6.01%
Comp Leave	3.32%
Disability Leave	0.61%
Military	0.00%
Total	100%

With the exception of a high rate of administrative leave use, the distribution of leave use among Truck Driver/Warehouse Workers appears relatively typical of other County departments.



Includes full-time permanent employees only.
Source: Oracle ERP

Warehouse Employees' Total Leave Use by Type: FY12 – FY13 (2/2)



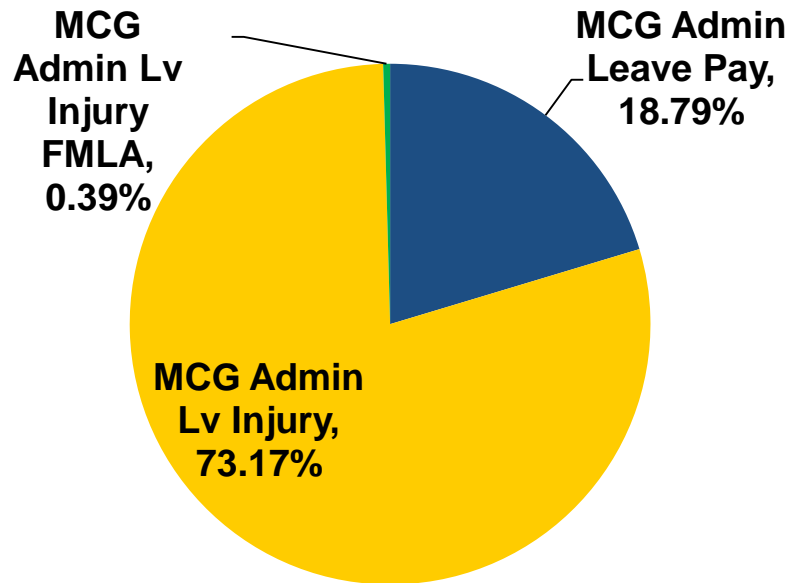
Total leave is trending slightly up over FY12 and FY13. Annual leave is trending steadily down while sick leave and admin leave are trending up.



*Includes full-time permanent employees only.
Source: Oracle ERP

Administrative Leave Use by Oracle Element Name: FY12 – FY13

17 of 37 (46%) Truck Driver/Warehouse Workers Used Admin Leave Injury from FY12 through FY13.



Statistics	Number of Hours Used
Minimum	8.00
Maximum	1,928.00
Mean	351.46
Median	152.00
Standard Deviation	469.35

73% of the administrative leave used by DLC Truck Drivers is Admin Injury Leave. Between FY12 and the end of FY13, 17 Truck Driver/Warehouse Workers used Admin Injury Leave. The median number of hours used per person was 152 (3.8 work weeks).

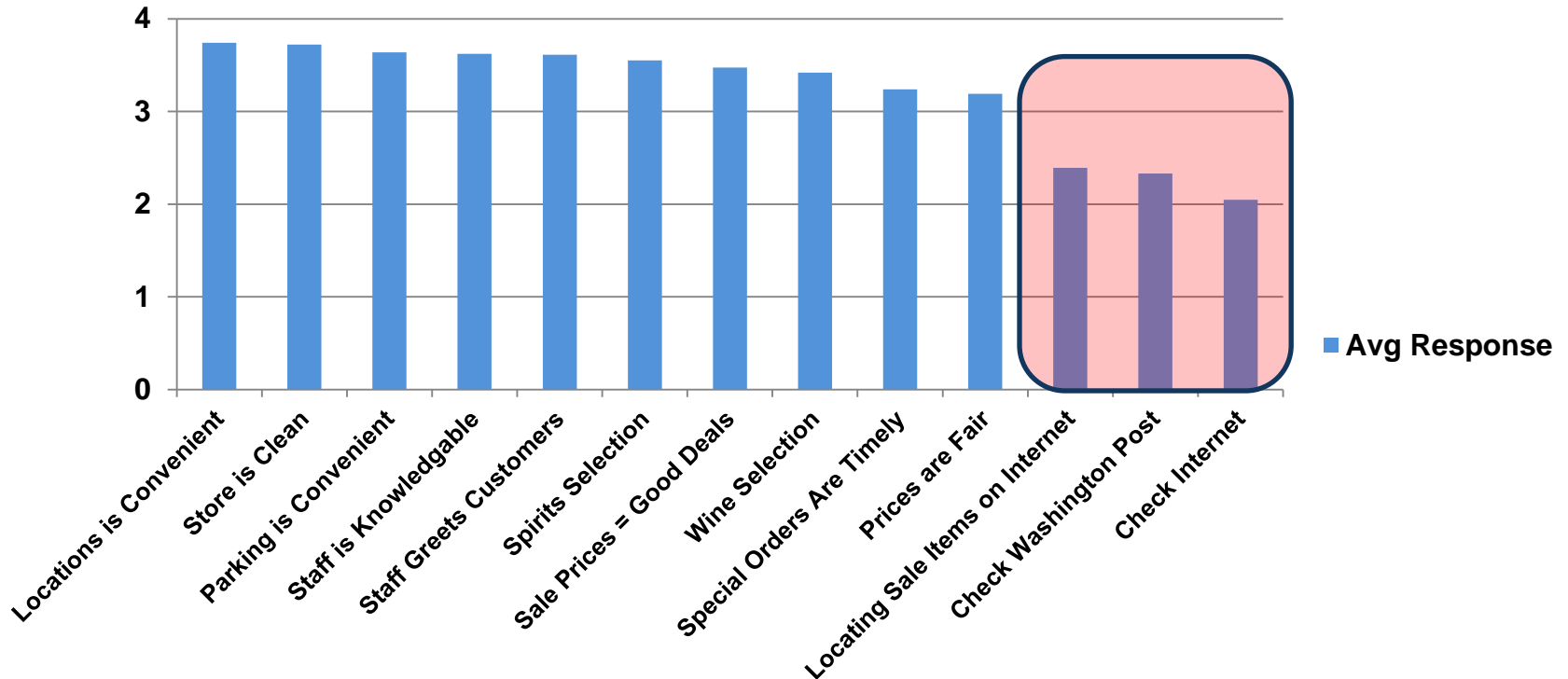


*Includes full-time permanent employees only.
Source: Oracle ERP

DLC Retail Customer Satisfaction Survey

Retail Customer Satisfaction Survey Results

Number of respondents: 979
Total Number of Stores Participating: 23 (out of 25)*
Overall average rating: 3.23



The FY13 overall average rating was 3.23.** The inclusion of communications related questions in the average score drives performance down.

*CountyStat and DLC did not receive results from Hampden Ln. and Olney.

**Scale: 1 = Strongly Disagree; 2 = Disagree; 3 = Agree; 4 = Strongly Agree; Answers of N/A are removed for statistical calculations.

Source: DLC Retail Customer Satisfaction Survey



Retail Customer Satisfaction Rating: Communications Questions

The Communications section provides useful information, but it also deflates store-specific customer service scores based on information that is not necessarily controlled by the store itself.

The communication section of the survey is comprised of the following three statements:

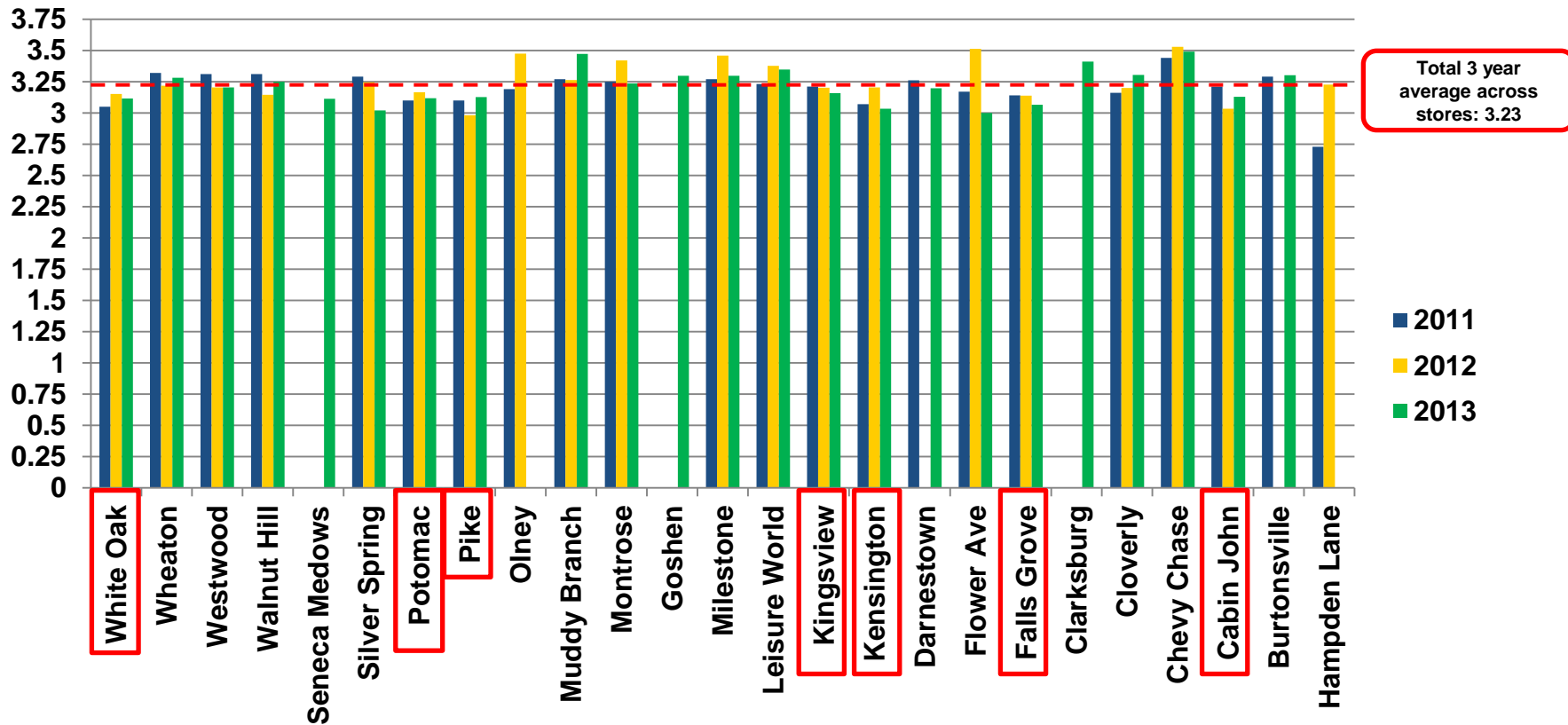
1. I regularly check the Washington Post for DLC sales and promotions
2. I regularly check the internet for DLC sales and promotions
3. If I regularly check the internet, I can easily find the sale items

(Answers fall into one of five categories: Strongly Agree, Agree, Disagree, Strongly Disagree, N/A)

Individual retail store scores vary depending on whether or not these questions are included in their overall scores .



Retail Customer Overall Satisfaction Rating by Store: 2011 – 2013

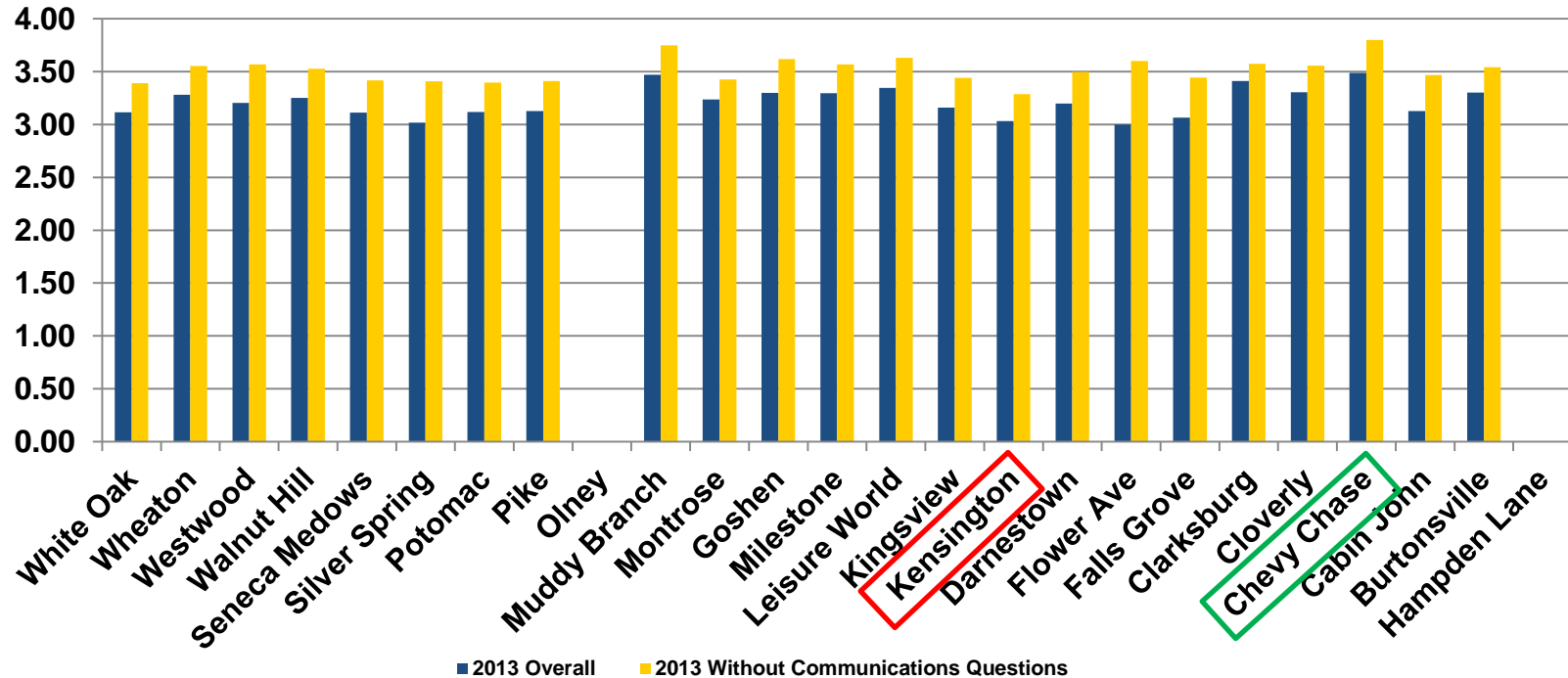


Stores outlined in red have fallen below the three year retail average each year from 2011 to 2013. The store with the lowest three year average is Pike (3.07), followed by Kensington (3.10), White Oak (3.11), and Falls Grove (3.11). Chevy Chase was the highest performing store.

*Scale: 1 = Strongly Disagree; 2 = Disagree; 3 = Agree; 4 = Strongly Disagree; Answers of N/A are removed for statistical calculations.
Source: DLC Retail Customer Satisfaction Survey



Retail Customer Satisfaction Ratings: Comparing Scores With and Without Communication Questions



Source: DLC Retail Customer Service Survey

When communication questions are taken out, the three lowest performer was Kensington (3.29). Chevy Chase (3.8) was the highest performing store. The overall average increases to 3.52. Going forward, CountyStat recommends that the information from communications questions continue to be collected and analyzed, but that the data be omitted from the individual store scores.

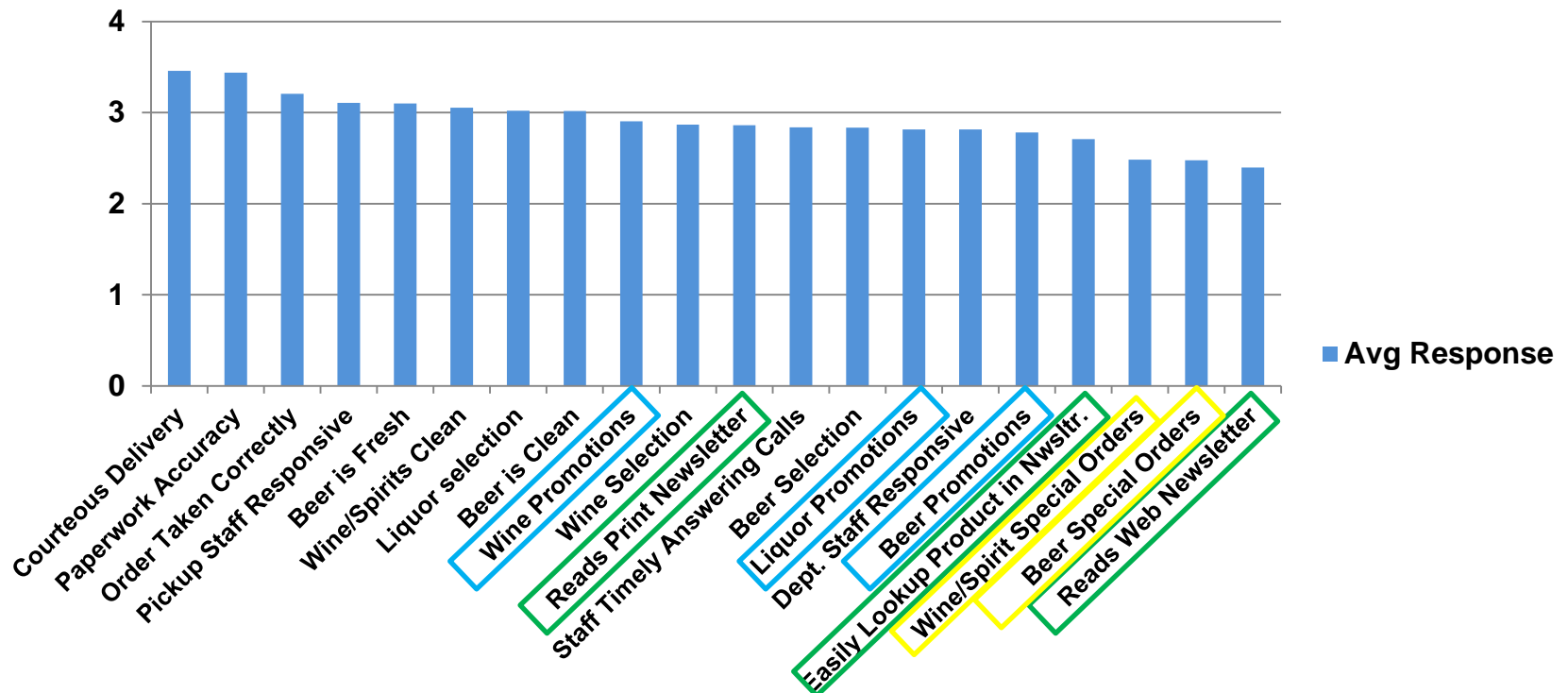
*Scale: 1 = Strongly Disagree; 2 = Disagree; 3 = Agree; 4 = Strongly Disagree; Answers of N/A are removed for statistical calculations.
Source: DLC Retail Customer Satisfaction Survey



DLC Wholesale Customer Satisfaction Survey

Wholesale Customer Satisfaction Survey Results (1/2)

Number of respondents: 198
Overall average rating: 2.91
Approximate number of licensees: 1,000



While performance improved from FY12 to FY13, the overall average remains below 3.* **Communications**, **special orders** and **promotions** may be areas for focused improvement. Again, CountyStat recommends that communications questions be omitted from the calculation of the Wholesale Customer Satisfaction Score.



*Scale: 1 = Strongly Disagree; 2 = Disagree; 3 = Agree; 4 = Strongly Agree; Answers of N/A are removed for statistical calculations
Source: DLC Wholesale Customer Satisfaction Survey

Wholesale Customer Satisfaction Survey Results (2/2)



Montgomery County Department of Liquor Control

Retailer Survey 2013

Please take a few moments to complete and return in the enclosed postage-paid envelope. Please return by November 30, 2013. Thank you!

	Strongly Agree	Agree	Disagree	Strongly Disagree	Not Applicable
Please rate our level of customer service:					
Customer Service staff answers calls in a timely manner:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer Service staff takes my order correctly:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Delivery staff is courteous when making deliveries:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Delivery staff completes my paperwork accurately:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pickup staff is responsive:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Please rate our communications:					
I regularly read the mailed version of the newsletter:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I regularly read the on-line version of the newsletter:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I can easily look up products in the newsletter:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Department staff is responsive when I call:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Please rate our product offerings:					
BEER:					
Beer promotions assist me in being profitable:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Beer is fresh when I receive it:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Beer packaging is clean when I receive it:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Beer selection is adequate:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Turnaround time for Special Order Beer is acceptable:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WINE/SPIRITS:					
Wine promotions assist me in being profitable:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liquor promotions assist me in being profitable:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wine selection is adequate:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liquor selection is adequate:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wine/spirits packaging is clean when I receive it:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Turnaround time for Special Orders are acceptable:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Departmental Challenges: ERP Transition

ERP Implementation

- **Inherent challenges in an implementation of this size:**
 - Requires educating suppliers
 - Requires getting licensees on board
 - ACH only method of payment accepted
 - Need to create single point of contact for suppliers
- **Adequate resources**
 - More people added to help desk
 - Overtime may spike initially as things get sorted out
- **Rigidity of system may pose initial challenges, but is integral to sustaining the organization for the future**
- **Expected outcomes include:**
 - Increased efficiency
 - Robust internet ordering
 - Seamless integration with County financials; increased analytics and planning capabilities



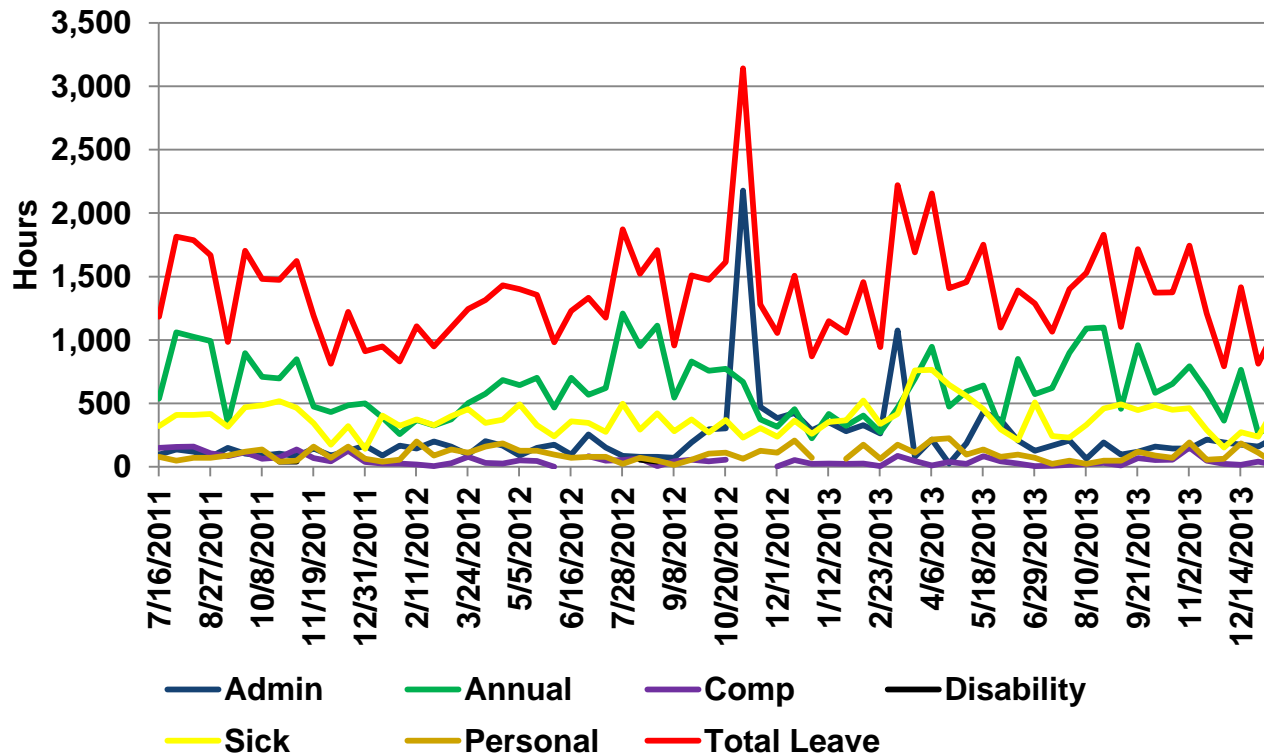
Wrap-Up

- Follow-Up Items



Appendix

Warehouse Employees' Total Leave Use by Type: FY12 to Present (1/2)



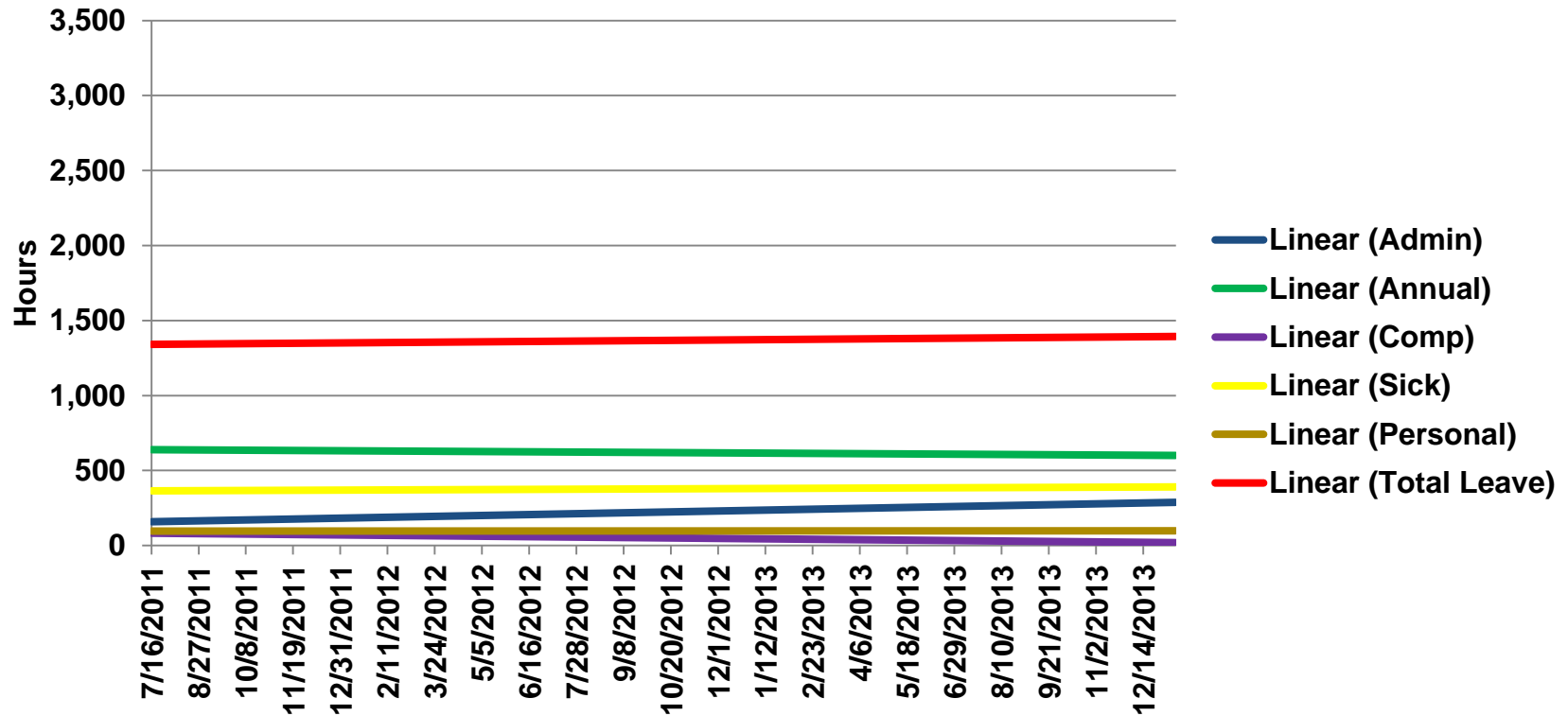
Leave Type	Percent of Total Leave
Annual Leave	45.3%
Sick Leave	27.7%
Admin Leave	16.3%
Personal Leave	7.0%
Comp Leave	3.6%
Disability Leave	0.1%
Total	100%

Administrative leave, sick leave, and total leave are trending slightly up.



Includes full-time permanent employees only.
Source: Oracle ERP

Warehouse Employees' Total Leave Use by Type: FY12 – Present (2/2)



Administrative leave, sick leave, and total leave are trending slightly up.



*Includes full-time permanent employees only.
Source: Oracle ERP